



Daily Report

East Europe

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Owen Calls for International Pressure on Serbs

AU0803144093 Paris AFP in English 1427 GMT
8 Mar 93

[Report by Graham Brown]

[Text] Brussels, March 8 (AFP)—The European Community's peace envoy for Yugoslavia, Lord Owen, called here Monday [8 March] for strong international pressure on Bosnian Serbs to make them accept a peace plan for Bosnia-Herzegovina. Lord Owen, cochairman of the E.C.-U.N. peace conference on Yugoslavia, added that a powerful U.N. peacekeeping force would be needed afterwards to enforce the plan.

He was speaking at a press conference during a meeting of E.C. foreign ministers.

"I do not think Karadzic will sign (the peace agreement) unless there is a good deal of pressure brought to bear," he said in a reference to Radovan Karadzic, leader of the Bosnian Serbs. He said a fighting force of international peacekeepers would be needed in Bosnia to enforce a peace plan once it had been agreed by Serbs, Bosnian Moslems and Croats there.

"We'll have to be ready to face some resistance from warlords ... I believe we will be able to assemble a sufficiently powerful peacekeeping force to make (the plan) stick," he said.

Earlier, Danish Foreign Minister Niels Helveg Petersen said the E.C. ministers would move to tighten sanctions against Serbia if the Bosnian peace plan was not accepted.

Petersen, chairman of the meeting, said: "The next two weeks will be decisive". He reported general agreement that existing U.N. trade sanctions of Serbia needed to be applied more efficiently. But he added that the E.C. ministers had given their "full, unequivocal support" to the Bosnian peace plan crafted by Owen and his cochairman in the Yugoslavia peace conference, Cyrus Vance.

Giving a progress report on the Bosnian peace talks, Owen said he was optimistic that Bosnian President Alija Izetbegovic would sign the agreement later this week. Then, he said, the U.N. Security Council would be asked to endorse the plan, so that maximum world pressure could be brought on Karadzic and Serbia to accept it.

The Bosnian peace talks in New York were suspended on Saturday while Izetbegovic, leader of the Bosnian Moslems, returned home for consultations.

Owen said Moslems, Croats and Serbs had agreed to most elements of the peace plan, and that only two signatures, of Izetbegovic and Karadzic, were needed for a map to divide Bosnia into 10 provinces.

German Foreign Minister Klaus Kinkel told journalists: "The optimism of Lord Owen does not correspond to the

reality in Bosnia and the threats of terrorist action by Karadzic." Germany has been pressing for the immediate and total isolation of Serbia, but Kinkel said he would accept the decision of the E.C. to give Owen and Vance time to reach an agreement.

French Foreign Minister Roland Dumas said the Vance-Owen plan was the only possible solution to the Bosnian conflict. He called on all sides to exert pressure on the participants in the peace talks, and said Russia had a particular responsibility to exert pressure on Belgrade because of its links with Serbia.

Red Cross Underscores Success in Aid Deliveries

LD0903110993 Belgrade TANJUG in English
1033 GMT 9 Mar 93

[Text] Belgrade, March 9 (TANJUG)—The International Committee of the Red Cross (ICRC) delivers 40,000 messages weekly for separated families in the former Yugoslavia, said ICRC spokeswoman in Belgrade Inger Marie Vennize.

In a statement carried by the Belgrade daily BORBA on Tuesday [9 March], Vennize recalled that 250,000 messages had been delivered in 1991 through the ICRC and around 500,000 in 1992 to families worldwide separated by war.

Vennize underscored the ICRC's efforts in bringing aid to the population of war-torn Bosnia-Herzegovina, adding that thanks to ICRC mediation the Bosnian Serbs had released 5,534 POW's [prisoners of war] from camps in Bosnia-Herzegovina.

Bosnian Serbs have released 5,040 POWs, Bosnian Croats 357 and the Moslems only 137 POWs, said ICRC Director for Europe Thierry Germont on Monday in Geneva.

After the Croatian Army's aggression against the Republic of Serbian Krajina on January 22, the ICRC sent 120 tons of aid to the Serbian population in Krajina which is a United Nations Protected Area, said Vennize.

Vennize said that ICRC delegates had registered 10,000 refugees in the area of the Republic of Serbian Krajina in early February.

During the Croatian aggression against the Republic of Serbian Krajina over 1,000 Serbs were killed, of which 830 civilians. All Serbian villages in the Adriatic hinterland were torched and destroyed, while the population was forced to flee.

Jeszzensky Views Visegrad, Minority Problems

AU0503204993 Prague RUDE PRAVO in Czech
1 Mar 93 pp 1,9

["Exclusive" interview with Hungarian Foreign Minister Geza Jeszensky by Jan Zizka in Budapest; date not given: "It Is Not True That Visegrad Was the West's Initiative"]

[Text] [Zizka] What do you think of the views expressed by Czech politicians that cooperation within the Visegrad Group is not so important?

[Jeszzensky] First and foremost, it is necessary to stress that the Visegrad Group was established to speed up its members' integration into the EC and other European structures. These countries have a common heritage and common problems. I think the Visegrad initiative has already partially fulfilled its purpose, but that is far from saying it has completed it. Concluding the association agreements with the EC was, without a doubt, a success. However, cooperation within Visegrad has an even broader goal—presenting a common policy at international forums. We have to prove that former communist countries are capable of cooperating with each other.

[Zizka] Czech Foreign Minister Josef Zieleniec says it is nonsense to organize pressure groups for entry into the EC.

[Jeszzensky] I do not agree with this. Mr. Zieleniec has never said this to me personally. Perhaps he did not want to upset me. I simply think he does not have the experience I have. It is also not true that Visegrad was the West's initiative. I know, because I have been involved in it from the beginning. Of course, the establishment of this group was greatly welcomed by our Western friends.

[Zizka] Submitting a joint application to the EC was discussed at last year's Visegrad heads of state summit meeting in Prague. Do you think this is still possible?

[Jeszzensky] Our entry into the EC can be contemporaneous and coordinated. However, we cannot submit a joint application; we are not a single country, and we do not want to form a confederation.

[Zizka] Were you a member of the Hungarian delegation in Prague where this idea was mooted?

[Jeszzensky] The issue was somewhat different. We are sovereign countries. We discussed whether we should submit our applications jointly and whether we should coordinate our efforts.

However, we made no commitments. We created a useful system for consulting the EC, and I hope we will continue in this. It will depend on how our relationship with Slovakia develops, a relationship colored by problems such as, for example, the Gabčíkovo dam project.

[Zizka] Polish President Walesa advocates closer cooperation among East European countries within the framework of a so-called EC-2 and NATO-2.

[Jeszzensky] In my opinion, there is no reason to establish permanent countergroups. It is true that we are in a group of applicants. However, none of us wants to be in it forever. There is no sense in creating a waiting room in which we may remain forgotten. I think that when the countries of the European Free Trade Association become members of the EC there will be nothing to prevent the start of negotiations on membership with us. I am not opposed to other countries becoming members after us, but some of the countries aiming for this are backward—economically, in their legal systems, and from the point of view of their infrastructures.

[Zizka] There are fears that tension between Hungary and Romania may result in another bloody conflict in East Europe.

[Jeszzensky] Of course, it is never impossible to rule out a conflict. Hungary will definitely not aid and abet violence; we have no aggressive aims. Situations such as the one in 1990 when Hungarians peacefully demonstrating in Tîrgu Mures in Transylvania were attacked by a crowd of drunks collected by a bus from pubs in the surrounding villages could present a threat. This was similar to the situation when Romanian miners intervened in Bucharest. However, it did not receive the same publicity. Nevertheless, I think Romania also wants to be accepted by Europe. The Romanians want to join European institutions and consequently will have to keep an eye on extremist forces. Hungarians in Romania are very peace-loving, they have no weapons, and they want to live a peaceful life in the place where they have lived for more than 1,000 years.

[Zizka] Now, to discuss relations with Slovakia, it is said in Hungary that the construction of Gabčíkovo will lead to changes in the border between the two states. Can this mean that in the future Budapest will declare the current border to be invalid?

[Jeszzensky] No. The Hungarian position is different. Sovereignty implies the inviolability of a country's territory, its resources, and its waters. The Danube is a border river. Theoretically, half its water and water resources belong to Hungary and half to Slovakia. However, most of our water has been stolen—against our will and regardless of the EC's warnings. I do not like to use strong words. I do not want to say this was an act of aggression.

[Zizka] Do you agree with the expression "border violation"?

[Jeszzensky] There is a dispute that has to be resolved in the International Court. We regard this as an unbecoming, unprovoked unilateral step. Hungary has not reacted by using force, but by turning to international bodies. This is like a dispute between two people. If someone kicks you, there are two ways to react. You can

start yelling, kick him, and then try to prove that he started it first, or you can turn to the court. The latter is the civilized way.

[Zizka] You have said that Hungary does not consider the border with Slovakia to be invalid. However, could some future government make this claim? For example, Istvan Csurka is talking about the need to Negotiate a new system for Europe after the year 1995.

[Jeszzensky] Csurka says there may be new opportunities after 1995. However, there is no reason to emphasize this date.

[Zizka] According to Csurka, the validity of the Yalta agreement will expire after 50 years.

[Jeszzensky] Yalta has nothing whatsoever to do with this. It is a preposterous idea, nonsense. I am a historian, and I know very well that no treaty was concluded in Yalta whose validity would expire after a certain period. Moreover, I do not think Mr. Csurka would ever form a government.

[Zizka] What do you think, as a representative of the ruling Hungarian Democratic Forum (MDF), of the threat of nationalism represented in your movement by Csurka?

[Jeszzensky] I personally agree with some of Mr. Csurka's views; however, I fundamentally disagree with a number of them. Many people who support him do so for somewhat different reasons than generally supposed. They do not support his ironic speeches, but his call for more emphatic change and for tougher measures, which—of course—may be contentious. His supporters often do not understand his demands, as is the case with

the Yalta demand. They do not support him as a rival to Prime Minister Antall. The majority of those who applaud him refuse to choose between him and Antall. I am convinced that sooner or later many people will realize that Csurka has embarked on the wrong road.

[Zizka] There is an agreement between Hungary and the Hungarian minorities in neighboring states that Budapest will support their political aspirations. The chairman of the Coexistence Movement in Slovakia, Miklos Duray, has declared that if the Slovak Government continues its discriminatory policy, it will be impossible to rule out the onset of separatist tendencies among the Hungarian minority and a struggle for annexation to Hungary. Would Budapest support such tendencies?

[Jeszzensky] I do not like to talk about theoretical possibilities. I am convinced that if a country respects the legitimate wishes of its citizens—which is the basis for democracy—it will be strong internally. The Hungarian Government will not adopt a point of view on what should happen in Slovakia. Slovak citizens have to decide for themselves what is good for their country. The Slovak ethnic majority, however, should not force its will on the Hungarian minority in a manner that would put the Hungarians' living conditions and their fundamental rights at risk. Nevertheless, some Slovaks chant slogans such as "Hungarians back across the Danube" or even "Hungarians into the Danube." This is really alarming. It is not the first time this has happened. In 1945 the Benes government tried to expel all Hungarians. They lived for three years without civil rights and without the right to citizenship. This is a historical trauma, a bad experience. Therefore, there is apprehension about the future.

Association Agreement With EC Signed*AU0803205693 Sofia BTA in English 1815 GMT
8 Mar 93*

[Exclusive Report by Paul Montgomery]

[Excerpt] Brussels, March 8 (BTA)—Bulgaria and the 12-nation European Community signed an Association Agreement today at 1 P.M. local time that begins to establish a free-trade zone with the rich European trade bloc.

The agreement did not give Bulgaria what it wanted in the area of exports of wine, pig iron and tobacco, but protected Bulgaria from a sudden flood of imports that would undercut local products. The agreement sets up a ten-year transition period to a full free-trade area. The agreement relaxes some restrictions on movement of money and workers between Bulgaria and the 12 members of the European Community.

Prime Minister Lyuben Berov signed for Bulgaria. He said he regarded the agreement as a "key factor of our transition to a market economy." The prime minister added: "A successful mutual cooperation under the broad framework of the Europe agreement will bring Bulgaria closer to meeting in the future the requirements for full membership in the community."

Jacques Delors, the president of the European Commission, who was present at the signing, said the agreement was the beginning of a "new relationship" between Europe and Bulgaria. "We particularly appreciate the stabilizing influence which Bulgaria has exercised in the region and the efforts which she has made in favour of peace and freedom."

Mr. Helveg Petersen, the Danish foreign minister, who serves as president of the European Council during the first six months of this year, signed for Europe. He paid tribute to Bulgaria's hard work for reform during the last few years. "We know that the transformation of a society is a difficult job that demands, during the transition period, large sacrifices which the Bulgarian people have faced with great courage."

"This ceremony today also has a deeper meaning," said Mr. Delors. "it consecrates the historic ties of friendship that always unite our peoples and confirms our confidence in our common, united future." [passage omitted]

Government Resumes Cooperation With Trade Unions*AU0803223493 Sofia BTA in English 1946 GMT
8 Mar 93*

[Text] Sofia, March 8 (BTA)—The Council of Ministers today adopted rules of procedure for the National Council for Social Cooperation. The national system of tripartite cooperation is built at a national, industry-wide, regional and municipal level, the document says. The council is a national-level deliberative body for the

regulation of industrial and insurance relations and the standard of living. It comprises representatives of the government, the employers and the trade unions, which the Council of Ministers has recognized as representative. It is chaired by a deputy prime minister, who is authorized to represent the government.

This institution of social dialogue was established in early 1991. Its activity was suspended under Filip Dimitrov's government between November 1991 and the end of 1992. It was restored by Prof. Lyuben Berov's government in early 1993.

The Council of Ministers today considered an ordinance on the terms and procedure for the entitlement to free and discounted medicines. The only criterion for the allocation of free medicines is the patient's health condition. Entire age groups have been entitled to free medicine so far. A list of diseases which qualify patients for the allocation of free medicines is supplemented to the ordinance. According to the Health Ministry, the ordinance will benefit about 1.5 million people. The free medicine will cost the public purse a total of 2,000 million leva.

The cabinet authorized Deputy Prime Minister Evgeni Matinchev to endorse the statutes of religious denominations in Bulgaria. The Directorate of Religious Faiths with the Council of Ministers has performed this function so far.

DEMOKRATSIYA Appoints Chief Editor*AU0903112093 Sofia DEMOKRATSIYA in Bulgarian
4 Mar 93 p 1*

[Staff report: "In 10 Days Panayot Denev Will Assume Encho Mutafov's Difficult Post"]

[Text] At its last meeting the DEMOKRATSIYA Publishers Trade Union discussed the issue of appointing a new chief editor. It was clear to all that the resignation Mr. Encho Mutafov submitted was not a bluff, as TRUD said. He presented his motives, one of which was that the newspaper and indeed the Union of Democratic Forces [SDS] itself need new people.

The candidacy of Mr. Panayot Denev, BTA deputy director, prevailed. He is an experienced and capable journalist, as his report from last summer's cultural festival in Sozopol showed, and a good organizer. The opinion of the present chief editor also influenced the decision. He revealed that one month ago, when he decided to resign, he talked to Mr. Denev and obtained his agreement to head the newspaper. Only one member of the trade union voted against Mr. Denev's candidacy.

The participants unanimously adopted the proposal of Mr. Mikhail Nedelchev to preserve Mr. Mutafov's membership in the trade union as a public observer. With his well-known sense of humor, Mr. Mutafov said that he is pleased with the change in his status from a simple worker to a boss.

The future chief editor made a presentation. He explained his view of his future activity and said that he will direct his efforts toward improving the reports published by the newspaper and the manner in which the news is reported and toward continuing the tendency of turning the newspaper into a national daily. Mr. Denev answered questions and asked questions himself. Most of his questions were related to relations with the trade unions, the Coordinating Council, and Director Edvin Sugarev.

After the voting the present and future chief editors shook hands.

Kosovo Trade Unions Chief on 'Discrimination'

AU0903112493 Sofia PODKREPA in Bulgarian
4 Mar 93 pp 1, 6

[Interview with Jerlab Gorani, "chairman of the Independent Trade Unions in Kosovo," by Kristina Makaveeva in Sofia on 2 March: "International Solidarity Against Discrimination"]

[Text] Professor Gorani arrived in Bulgaria for the Balkan conference organized on 24-25 February in Copenhagen by the Danish Trade Unions and the International Workers Movement Forum. The conference was attended by the PODKREPA Labor Confederation representatives.

On 2 March Prof. Gorani gave a brief news conference at the PODKREPA headquarters, during which he briefed reporters on the problems of the trade union movement in the Kosovo Autonomous Oblast of former Yugoslavia.

The Kosovo guest, who arrived in Bulgaria as a guest of PODKREPA's "International Department," met Dr. Konstantin Trenchev, PODKREPA president.

In his presentation to reporters he revealed details that outlined a clear picture of the discrimination to which the population of Kosovo—until recently an autonomous oblast, now occupied by Serbian troops—is subjected.

[Makaveeva] What role could your trade union organization have under those conditions?

[Gorani] Our task is to struggle for independence, ethnic survival, and preserving the territory and nationality of Kosovo's Albanian population.

[Makaveeva] What is the unemployment rate?

[Gorani] Unemployment reached 70 percent, but as you could guess, it is not the consequence of economic reasons. More than 90 percent of Kosovo's population are of Albanian nationality. I must tell you that more than 150,000 have been killed there in the last six months, and 300,000 youths do not attend any school. This leads to unemployment, a problem that concerns the entire world.

As far as unemployment is concerned, it is actually nothing more than an ethnic purge of available workplaces.

[Makaveeva] How many members does the Union of Independent Trade Unions have?

[Gorani] We have 254,000 members organized in 21 branches. In 1990 we held our first congress, which declared a general strike in defense of the Kosovo Albanians' nationality and human and trade union rights and against terror and discrimination.

[Makaveeva] Do the trade unions participate in forming military units for the defense of the population against the aggression and intervention of other nationalities?

[Gorani] No, because this is against the principles of the trade union activity. We would like to see the situation resolved in a peaceful manner, through talks and purely trade union means. Since we oppose violence, despite the fact that we are its victims, we cannot preach violence as a means of resolving conflicts, regardless of their character. We do not recommend to anyone to use violence in an attempt to prove his rights.

Dogan Returns From Visit to Turkey

AU0803223293 Sofia BTA in English 2040 GMT
8 Mar 93

["Today"—BTA lead]

[Excerpts] Sofia, March 8 (BTA)—The leader of the Ethnic Turks' Movement for Rights and Freedoms (DPS) Ahmed Dogan today returned from Ankara, where he paid a visit at the personal invitation of Turkish Prime Minister Suleyman Demirel. Mr. Dogan met with the Turkish head of government, M.P.'s (members of parliament) and businessmen to discuss the extra credit which president Turgut Ozal promised Bulgaria during his visit to Sofia. [passage omitted]

The management of the Privatization Agency today issued a declaration rejecting allegations of incompetence or deliberate stalling of privatization on political grounds. According to the declaration, privatization is delayed due to the inadequate legal framework and the lack of an appropriate economic environment in Bulgaria. The statutory time limit for a privatization transaction is between six and eight months, while the agency was established just five months ago, the document emphasizes. Last week the press quoted Deputy Prime Minister Valentin Karabashev and National Assembly Economic Committee Chairman Asen Michkovski as saying that work at the agency was making no progress and it employed incompetent people. The agency's declaration says that the attacks show the appetites of certain forces for major and expensive units subject to privatization. The Privatization Agency management, however, pledges that it will not aid and abet "an uncontrollable sale of the nation's material wealth." [passage omitted]

Hungarian Parliamentary Delegation Visits*AU0803131393 Prague CTK in English 1432 GMT
4 Mar 93*

[Text] Prague March 4 (CTK)—Hungary and the Czech Republic want Slovakia to prosper, said Hungarian parliamentary chairman Gyorgy Szabad at a press conference following this afternoon's meeting of the Hungarian parliamentary delegation, which is in the Czech Republic for a two-day visit, with Czech Foreign Minister Josef Zieleniec.

Szabad said the creation of the best relations between Hungary and the Slovak Republic was desirable. He characterized the demand for the resolution of problems regarding the diversion of the Danube and the validity of European norms for minorities as natural, and said that he hopes that they could be resolved favorably.

He spoke with Zieleniec about the cooperation of the Visegrad group (comprised of the Czech Republic, Slovakia, Hungary and Poland) and said they agreed that their countries are not attempting to create a bloc, but that they consider coordinating the resolution of any problems to be a matter of course.

Szabad said that Zieleniec received with interest information about the Hungarian parliament's creation of a committee devoted to matters concerning the European Community. Szabad said that the Czech Republic and Hungary are striving for bilateral cooperation.

Szabad and Czech parliamentary chairman Milan Uhde agreed that the meeting opened the way for the expert commission and parliamentary committees to enter into direct contact. Both Szabad and Uhde said that the greatest gaps in relations between the two countries are in the areas of economy, culture, and exchange of scholars.

Szabad said that the withdrawal of the Czech Republic from the agreement on the construction of the Gabčíkovo-Nagymaros hydroelectric project was the natural result of the division of Czechoslovakia. Further development of the affair concerning the diversion of the Danube is a matter for international law, he said. Hungary is prepared to accept any resolution which respects human rights and ecology and is in accordance with international law, he said.

Unilateral Steps Possible if Talks Fail*LD0803200593 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1730 GMT 8 Mar 93*

[Excerpts] Czech Foreign Minister Jozef Zieleniec departed by air for Brussels this afternoon. In Brussels he, together with other Visegrad group ministers, will meet with representatives of the European Community.

Before his departure he briefed journalists about the Czech government session yesterday which discussed a proposal to toughen procedures on the border between

Bohemia and Slovakia. Daniela Galikova, reporting from Prague, has more detailed information.

[Galikova] [passage omitted] Jozef Zieleniec gave a very diplomatic answer to a question about what would happen if Slovakia adopts a negative stance.

[Begin Zieleniec recording] The fact remains that it is important to reach agreement on this issue. At the same time, it is undeniable that if we do not reach agreement, we will have to address these issues unilaterally. From my own analysis, which takes into account the Slovak side's current situation, it does not follow that the Slovak side can have reasons not to accede to the solution I outlined here. I think we are able to agree on this simple issue. [passage omitted] [end recording]

Klaus Outlines Czech-Slovak Trade Problems*AU0803145893 Prague HOSPODARSKE NOVINY in
Czech 5 Mar 93 pp 1,2*

[CTK and "(mad)"-signed report: "Is Czech-Slovak Trade a Vicious Circle?"]

[Text] The biggest problem currently facing the Czech economy is the inability of Slovak enterprises to pay for Czech goods. This issue generally overshadows the problems associated with the property settlement between the two republics. Czech Prime Minister Vaclav Klaus made this statement in Jihlava yesterday to delegates attending the Czech Republic Union of Industry general assembly.

According to him, the government is striving to maintain the maximum possible economic relations with Slovakia. The situation in recent weeks, however, does not fill Prime Minister Klaus with too much optimism. Slovakia does not have the means to resolve its negative trade balance by increasing its exports, explained Klaus. Slovakia cannot finance the 20-25 billion koruna deficit, it can only "eliminate it by reducing its imports." At the same time, every 10-percent decline in mutual trade means a 1-percent fall in the Czech Republic's gross national product. Moreover, restricting imports will force the Slovak economy into a vicious circle and will lead to a subsequent reduction in Slovak exports. This will, undoubtedly, be reflected in a further decline in trade between the Czech and Slovak Republics.

The government would rather seek a consensus than unilaterally suspend exports to Slovakia. Suspending deliveries is possible, but it would be counterproductive, said the Czech prime minister. For example, halting coal supplies from the Ostrava District would mean that the government would have to deal with the social problems affecting almost the entire region.

Klaus said there is no simple solution. The banks' involvement would merely defer it. In this connection, the prime minister said that the possibility of establishing a special independent Czech-Slovak branch of the European Bank For Reconstruction and Development to support mutual trade between the republics is being

considered. According to his information, there is already a similar Hungarian-Romanian institution.

In response to comments made by the representatives of Czech industry, the prime minister conceded that one of the possibilities could be to capitalize the outstanding claims, that is, to allow Czech capital to penetrate into Slovakia. However, the Slovak Government would have to create the conditions for this. He also voiced his regret that some enterprises are trying to resolve the situation by bartering, that is, by using one of the least effective forms of foreign trade.

Vaclav Klaus described [Trade and Industry Minister] Vaclav Dlouhy's idea of breaking up the holding companies as "a couple of words from a single news conference." The minister, the prime minister said, was not talking about something the government would approve. Nevertheless, he added that he sees a rational core in the idea and that if the government is to help, it must know where the funds will go. He also emphasized that no measure must interfere with the unambiguous nature of the market environment or discriminate against some in favor of others. Among the government's priorities he ranked the endeavor to open up foreign markets to our goods and the effort to combat discrimination against our exporters.

According to him, the government is not opposed to managers becoming co-owners of the enterprises managed by them. However, this method of privatization will not be given priority, and it has not been given the "green light," as is the case in certain eastern post-communist countries. According to Klaus, in these countries this is often the only possible way of conducting privatization.

The Czech Republic Union of Industry is, among other things, demanding that the Czech Government speed up privatization, help to solve the problem of irrecoverable outstanding claims, make it possible for enterprise management to conduct privatization, and create truly market conditions. This statement was made at the general assembly by Czech Republic Union of Industry President Stepan Popovic.

Slovak Republic Union of Industry President Kazimir Kmet said that after two months virtually nothing remains of the promised customs and currency union between the Czech and Slovak Republics. On the contrary, "a massive mechanism of regulations, which makes normal economic life extremely complicated" has evolved. He described payments relations as decidedly unresolved. "The mutual flow of payments between Slovak and Czech industry declined to 20 percent during the first two months of this year compared with the same period of 1992," he said.

The contribution from Ludvik Kalma, chairman of the Skoda Mlada Boleslav board, was also interesting. According to his company's estimates, 30 percent of its suppliers will probably go bankrupt.

Drastic Drop in Trade Reported

AU0803140193 Prague CTK in English 1056 GMT
6 Mar 93

[Text] Prague March 6 (CTK)—The Czech Republic exported to Slovakia goods worth 3.4 billion crowns (over 110 million USD) in January, and Slovakia's share in the Czech Republic's overall exports of goods was 21.5 percent, according to the data of the Czech Statistics Office.

Imports from Slovakia were worth 2.3 billion crowns (75 million USD) and accounted for 15.4 percent of the Czech Republic's overall imports.

The Czech Republic's surplus in trade with Slovakia was thus 1.1 billion crowns (35 million USD).

The Czech Republic's overall exports in January amounted to 15.8 billion crowns (over 500 million USD) which was 21 percent less than in January 1992. The overall imports totalled 14.9 billion crowns, which was a 22.3-percent increase against January 1992, according to the data.

[Prague MLADA FRONTA DNES in Czech on 5 March on page 1 carries a 400-word "bod, tma"-signed report on the development of Czech-Slovak trade since 8 February when the currency union between the Czech Republic and the Slovak Republic came to an end. The report states that "in the first month after the currency union, the volume of mutual trade between the Czech Republic and the Slovak Republic reached the value of approximately six billion korunas. Last year the monthly volume of trade exchange averaged about 15 billion korunas. Hence, the exchange of goods and services represents only about 40 percent of last year's value." While Slovakia sold 64.5 million European Currency Units (2.25 billion korunas) worth of goods and services to the Czech Republic between 8 February and 4 March, the report states, Czech exports to Slovakia were worth 106.8 million European Currency Units, that is, about 3.7 billion korunas. The Slovak trade deficit for the period after the currency split amounted to 1.45 billion korunas.]

Statistical Office Releases 1992 Trade Results

AU0503212593 Prague HOSPODARSKE NOVINY in
Czech 4 Mar 93 p 8

[Czech Statistical Office, Slovak Statistical Office report: "Development of Foreign Trade in 1992"]

[Text] The 1992 trade balance ended with a deficit of 25 billion Czechoslovak korunas [Kcs]. The trade deficit with the republics of the former Soviet Union expanded and reached Kcs51.2 billion. The trade balance was in the red also in relation to states with an advanced market economy (Kcs11.9 billion).

Imports in 1992 were 9.7 percent higher than the year before, while exports were 1.3 percent lower. Imports

from countries with an advanced market economy went up 33.7 percent; imports from all other territories declined, particularly imports from countries with a state-controlled trade system. Exports to EC, European Free Trade Association [EFTA], and developing countries increased, while exports to the republics of the former Soviet Union drastically declined.

States with an advanced market economy accounted for 63.1 percent of total foreign trade turnover (EC countries alone for 45.7 percent), the republics of the former Soviet Union for 18.0 percent, European states with a transitional economy (without the republics of the former Soviet Union) for 10.1 percent, developing countries for 8.0 percent, and countries with a state-controlled trade system for 0.8 percent.

The fastest rate of growth in 1992, compared with 1991, was recorded in imports from Taiwan (which represented 0.7 percent of the total volume of imports in 1992), Hong Kong (0.4 percent), Singapore (0.4 percent), the United States (4.3 percent), Canada (0.3 percent), France (4.0 percent), Italy (4.9 percent), Japan (1.7

percent), Denmark (1.0 percent), and South Korea (0.3 percent). Imports from Egypt, Bulgaria, Romania, Brazil, the former Yugoslavia, China, and Turkey, on the other hand, experienced a significant drop.

In the same period, the fastest rate of export growth was to Hong Kong (which accounted for 0.6 percent of the total export volume in 1992), Malaysia (0.1 percent), Taiwan (0.3 percent), South Korea (0.1 percent), Turkey (1.2 percent), Austria (10.1 percent), and the United States (1.6 percent). Exports to Poland, the republics of the former Soviet Union, the former Yugoslavia, Finland, Romania, China, and Brazil experienced a significant drop.

Note: The published data is not final and changes with every new processing of export and import accounts; processing takes place on a monthly basis. Because the customs proceedings can be delayed in some instances of exports and, in particular, imports, final data for 1992 will be available by 30 June 1993 at the earliest, by which time those submissions for customs proceedings for 1992 will have been processed that could not be processed by the end of January 1993.

CSFR Foreign Trade for January-December 1992 (in Kcs million, all charges paid)

	Turnover	Import	Export	Balance
Total	683,819	354,401	329,418	-24,983
states with an advanced market economy	431,522	221,700	209,822	- 11,878
EC countries	312,164	149,339	162,825	13,486
EFTA countries	83,251	47,977	35,274	- 12,703
developing countries	54,339	19,444	34,895	15,454
European states with a transitional economy (without the former USSR)	68,996	23,806	45,190	21,384
former USSR	123,219	87,223	35,996	- 51,227
countries with a system of state-controlled trade (DPRK, Laos, Cuba, Vietnam, Mongolia)	5,673	2,158	3,515	1,357
unspecified	70	70	—	- 70

Transfer of Responsibility for UN Battalion

LD0803214693 Prague CTK in English 2130 GMT
8 Mar 93

[by CTK correspondent]

[Text] New York March 8—The Czech Republic will take over responsibility for the former Czechoslovakia's battalion in the United Nations Protection Force (UNPROFOR) in the former Yugoslavia while the Slovak Republic will send its own sappers unit there, it was confirmed here today.

The spokesmen for the Czech and Slovak diplomatic representations at the New York-based United Nations

headquarters, Stefan Fule and Miroslav Sedlak respectively, also told CTK that the U.N. Secretariat had already approved the decision.

After Czechoslovakia's dissolution in January its two successor states—the Czech and Slovak republics agreed to divide responsibility for the troops serving within UNPROFOR in the former Yugoslavia. As both republics have shown interest to continue activities in UNPROFOR, it was necessary to either enlarge the 500-strong Czechoslovak battalion by one more unit or send a separate Slovak unit there. Slovak Foreign Minister Milan Knazko told CTK in January that Bratislava would have its troops ready by April 1.

In view of the fact that a Canadian 250-strong UNPROFOR sappers unit is being moved from the

former Yugoslavia to another location, the U.N. called on Slovakia to substitute for it.

Sedlak told CTK that though the Slovak government had already decided to send the unit the decision must be approved by the parliament.

Foreign Intelligence Allegedly in Czech Republic

LD0803203793 Prague CTK in English 2013 GMT
8 Mar 93

[Text] Prague March 8 (CTK)—The security of the Czech Republic is not ensured at present, former Czech counterintelligence worker and Charter 77 signatory John Bok said today.

Lots of foreign intelligence services are active in the Czech Republic, and this is very dangerous. American, Russian, Ukrainian and Israeli secret services do whatever they like without any restraint. The Czech Republic is protected neither in terms of economic nor intelligence spheres said Bok at a press conference of the independent Information and Press Center Foundation (NITC).

Former BIS [Security and Information Service] Officer Michal Plecity said that BIS, headed by Stanislav Devaty, carries out purges which prevent people active in secret service after the fall of the communist regime in late 1989 from working at BIS. The purges, on the contrary, facilitate former STB (communist secret police) members to join the BIS.

Plecity said that the current BIS management had worked out a black list of BIS workers who cannot work in counterintelligence. Plecity, who himself is, according to him, also blacklisted, stressed that the anticommunists are being sacked from the BIS without being given any reason.

Commentary Views Nomination of Slovak Adviser

AU0503203793 Prague TELEGRAF in Czech 2 Mar 93
p 9

[Commentary by Peter Schutz: "KSU Chairman Becomes Kovac's Adviser"]

[Text] Instead of improving, despite the careful nurturing by the nationalist top brass, the image of Slovakia in the world is steadily declining. The statements and actions by the establishment representatives are primarily responsible for the creation of the unattractive image.

It was none other than Vladimir Meciar who, in his New Year's address in the parliament, stated that it is inadmissible to seek parallels between the first [1939-1945, fascist] and the newly established Slovak state because the statehood and the regime are two different things. President Michal Kovac endorsed this notion in the parliament immediately prior to his election, and since then he has many times repeated that he considers the improvement of Slovak trustworthiness in the world his

main objective. Nevertheless, it is precisely Mr. Kovac who, even before the inauguration, successfully cast doubts on his and the prime minister's words.

Perhaps even more surprising than the unexpected rounds Michal Kovac made of the Foreign Ministry on Wednesday [24 February], was his entourage. His chaplain was Jan Klepac, currently chairman of the extra-parliamentary Christian Social Union [KSU]—formerly, the Slovak Christian Democratic Movement [SKDH]. Kovac chose him for the post of his foreign adviser, or—if that post is established in the framework of the chancellery of the president—for head of the section in that area. Jan Klepac does not intend to (and Kovac does not even want it from him) cancel or even suspend his membership in the party he chairs. After all, the KSU is—if we disregard the miniparties of the type of Panis's Slovak National Unity, which openly lean toward fascism—among the "nationally oriented parties," the party perhaps most obviously tied to the infamous clerico-fascist past. The spirit of the war-time Slovak state emanates from the KSU with such a force that it drives the party into the extreme position even in the broad spectrum of the Slovak nationally oriented parties.

It is no secret that even before the partition, the KSU, SKDH, and Christian Democratic Movement assemblies were frequently attended by the protagonists of the Slovak post-1945 emigration. Last June, the SKDH election slate included people who did not at all hide their empathy for the Tiso regime. Frantisek Vnuk, for instance, a "historian" who spent many years in Australia and who in his works defends the Slovak state and calls for the exoneration of Tiso, was listed third on the list of candidates of the Bratislava SKDH. Only the election failure of the SKDH, whose constitutional arrangement policy was "stolen" by the Movement for a Democratic Slovakia, prevented a direct link to the Tiso regime through some of the deputies. Another negative side of bringing Klepac to prominence is that it was precisely he who, as the KSU chairman, criticized Meciar's government for "cowering to the International Monetary Fund" and concessions to this organization in the matter of the restrictive economic policy. He has demanded in his speeches that the monetarist reform be abandoned and an offensive development policy be adopted regardless of the danger of inflation.

If Kovac accepted Klepac's views—and since he chose Klepac, there is no reason to doubt this—it would mean another boost to the tendency supporting the Eastern and socialist orientation in Slovak politics. In extension, it also means another weakening of the position of Foreign Minister Knazko. The nomination of Jan Klepac precisely at the time of the cooling off of the relationship between the IMF and the Slovak Republic, and the shaping of the security doctrine of the Slovak Republic, can only be understood in the West as another negative signal from Bratislava.

Kovac Reportedly Refuses To Appoint Andrejcek*AU0803140793 Prague CTK in English 1354 GMT
4 Mar 93*

[Text] Bratislava March 4 (CTK)—The government coalition Slovak National Party (SNS) applauds the inauguration of the first Slovak President Michal Kovac as an important factor of Slovak statehood, SNS Deputy Chairman Ladislav Vlasic told journalists today.

He said that what is important for the SNS is that President Kovac is prepared to be a non-partisan president and that he will be president of all citizens of the Slovak Republic.

SNS Chairman Ludovit Cernak was asked by CTK whether Slovak Premier Vladimir Meciar had really said at a cabinet meeting on Monday that he was going to propose the dismissal of Foreign Minister Milan Knazko.

In reply, Cernak said that he has never known Knazko to lie. Everything Knazko has said so far was true, he said, thus confirming Knazko's statement on Slovak Television Monday that he will not fly to Geneva because he will be flung out of office on Wednesday.

Cernak said that if Knazko's case is discussed in parliament SNS deputies will likely support the foreign minister.

Referring to the envisaged filling of the post of Slovak defense minister, Cernak said that the SNS still opposes the appointment of Imrich Andrejcek, Czechoslovak defense minister till the end of 1992, to the post.

He stressed, however, that there is currently one more obstacle preventing Andrejcek from being appointed defense minister, and that is Slovak President Michal Kovac, who will refuse to appoint him, despite the fact that the appointment was proposed by the ruling Movement for a Democratic Slovakia (HZDS).

[Bratislava SLOVENSKY DENNIK in Slovak on 5 March on page 2 carries a 200-word "jk"-signed report on the SNS briefing. The report quotes SNS Chairman Cernak as having said that "should the attacks on him by some government representatives be repeated, he will consider whether to remain in the position of the Slovak minister of economy."]

Meciar Outlines Results of Stara Tura Meeting*AU0903113093 Bratislava HOSPODARSKE NOVINY
in Slovak 8 Mar 93 p 2*

[TA SR report: "Seeking an Optimum Solution to Problems"]

[Text] The working meeting in Stara Tura involving members of the Slovak Government and experts in finance, economics, social policy, and agriculture came to an end yesterday.

Slovak Prime Minister Vladimir Meciar told a TA SR correspondent after the meeting that, having dealt with constitutional and legal issues, the government is increasingly concentrating on dealing with the vital tasks facing the Slovak economy. The experts' meeting was the first, but it will certainly not be the last. Discussions on seeking an optimum solution to problems associated with the strategy for economic policy and with the government's specific measures will continue.

Representatives from the economic and financial sectors worked together with theorists and National Council of the Slovak Republic deputies in seven commissions and viewed each problem or unresolved issue from various angles. In Meciar's opinion, it is better if—for example—the enterprises' insolvency and the reasons for it are not only discussed by financiers, but also by experts on privatization, structural changes in the economy, and creating a market environment. At the same time, the insolvency problem was only one of 36 issues in the monetary and financial policy sphere on which the commission comprised of the experts at the meeting in Stara Tura agreed. The experts outlined measures that should release the brake on economic development. These measures envisage that the state will compensate enterprises for the liabilities for which they are responsible. These include, for example, losses incurred due to decisions made by the former federal organs and by disadvantageous business transactions. These losses amount to some 3.7-3.9 billion Slovak korunas, said Meciar.

A great deal of time was also devoted to the government's attitude toward businessmen. A fund administered by one of the financial institutions should assist medium-sized and small businesses. The prime minister thinks soft loans could revitalize business activity. Legislative changes will also contribute to this.

When commenting on stabilizing the currency, the prime minister said that many factors influence this process. The government would like, in the course of two to three months, to respond—by means of a series of measures—to the level of foreign currency reserves, the balance of payments, and the balance between imports and exports.

All the proposed recommendations—which will take the form of government resolutions or other binding measures and will be adopted in the very near future—have to be fulfilled before the end of this year.

Meciar in London To Attract Western Capital*LD0803212993 Prague Radiozurnal Radio Network in
Czech 2100 GMT 8 Mar 93*

[Text] In London Slovak Premier Vladimir Meciar has presented an ambitious program through which Slovakia intends to attract western capital.

In a speech delivered to 70 members of the prestigious Confederation of British Industry, he said that his cabinet intends to privatize Slovak arms plants, even

through a direct sale to foreign buyers. He also promised that he will make it possible for foreign banks to set up anonymous hard currency accounts. He described any possible protectionist measures concerning the Slovak market as only temporary. Vladimir Meciar called on British banks to get involved in Slovakia and promised them not to tax interest on hard currency accounts.

Assesses Visit Positively

*LD0903102393 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 0600 GMT 9 Mar 93*

[Text] At 20 minutes past midnight [9 March] a TU-154 special flight landed at the Bratislava airport. It carried Prime Minister Vladimir Meciar, who was returning from London. Let us remember that following Brussels this was his second visit to a significant West European capital within a short span of time. The prime minister assessed his trip with these words:

[Begin Meciar recording] The trip helped resolve the problems that the Slovak Republic now has to sort out. Namely, the procedures of integration into the EC—primarily the next steps, which are the association and European agreement [as heard]—and further, the issue of Central European space and security for all and bilateral economic and political cooperation between Slovakia and Great Britain. It was also important to discuss potential economic development resources with the EBRD [European Bank for Reconstruction and Development].

All these questions received positive answers. Therefore, even if not absolutely everything comes about, but simply a majority of it does, it will be good enough.

The reception we had, the way talks were conducted, and the welcoming attitude of the British all exceeded my expectations. [end recording]

Foreign Minister on Talks With EC

*LD0803133193 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1100 GMT 8 Mar 93*

[Interview with Foreign Minister Milan Knazko by Zuzana Stukovska on 8 March; place not given—recorded]

[Excerpts] [Stukovska] Mr. Minister, you said that if Slovakia was not to be harmed abroad then it was you who had to travel to Brussels and that you were ready to initiate an extraordinary session of the government because of that. Was the session today convened as a result of your initiative?

[Knazko] I cannot give you a conclusive answer to that. The important thing is that it took place, that the decision made at the previous meeting was reassessed. It is important that the Slovak Republic will take part in this meeting of the Visegrad Four with the EC Three at the foreign minister level since this is really a very important meeting.

[Stukovska] Was a vote taken on this issue and do you consider it to be your clear victory?

[Knazko] In this context I would not like to talk of any victories or defeats, be they political or victories and losses of individuals. I would like to reiterate that it is very significant that this meeting will be at the level as originally envisaged in Brussels. If we were to speak of any victories it would be a victory of Slovak foreign policy interests. Nothing more and nothing less. [passage omitted]

[Stukovska] One more question. Prime Minister Meciar is in London today. Why did the extraordinary government session not take place earlier, while he was still present? Was Meciar aware before his departure today of the extraordinary government session?

[Knazko] I really do not know the answer to that question.

Cernak Disagrees With Cabinet on Transgas Issue

*AU0803195993 Prague MLADA FRONTA DNES in
Czech 4 Mar 93 p 3*

["mru"-signed report: "Cernak Disagrees With the Slovak Government's Decision on Transgas"]

[Text] Bratislava—"It is difficult to prove a point in a government in which Culture Minister Slobodnik and government office head Lexa are the main experts on the transit gas pipeline, as well as my opponents." That is how Slovak Economics Minister Ludovit Cernak explained in Bratislava yesterday why the government did not adopt the interim results of the talks on the transit gas pipeline.

Before another meeting on the Transgas issue takes place between the economy ministers of the Czech and Slovak Republics, Minister Cernak wants to speak with Prime Minister Vladimir Meciar one more time. Ludovit Cernak said that the government's negative attitude originated from incomplete documentation and, therefore, he appealed to all Slovak specialists to comment on this issue. If he finds support and also manages to convince cabinet members and the prime minister, then he is quite optimistic regarding future talks with his ministerial partner, Vladimir Dlouhy, with whom, as he said, he will be able to settle the entire problem in no time, after which the final agreement can be submitted to the governments for discussion.

According to Ludovit Cernak, the world of finance responded to the problems between Vladimir Meciar and Milan Knazko by an immediate 1 percent increase of the interest rate on short-term loans to the Slovak Republic. Minister Cernak, along with Privatization Minister Dolgos, abstained in the voting at Monday's [1 March] session of the Slovak Government on Prime

Minister Meciar's motion that Milan Knazko not represent the Slovak Republic abroad at the human rights conference in Geneva or at the meeting of foreign ministers in Brussels.

Board for Minority and Ethnic Press Meets

AU0803171893 Bratislava NARODNA OBRODA in Slovak 5 Mar 93 p 22

[Juraj Alner report: "23.5 Million for 45 Periodicals; Board of Consultants for the Minority Press Is Distributing Money"]

[Text] Bratislava—The Slovak Culture Minister's Board of Consultants for the Press of National Minorities and Ethnic Groups started to operate yesterday. According to its charter, it deals with "questions of the establishment and, above all, the support of the periodical press."

During the opening debate, it was necessary to clarify what "questions of establishment" mean. According to [Culture] Minister Dusan Slobodnik, it is necessary to assess whether the press criticizes (the government, for example) factually or with unfounded information. "We have no other chance in dealing with unfounded reports, whose aim is to aggravate [interethnic] relations, than through financial measures. The same also will apply to the Slovak press, should it publish attacks on minorities," the minister said. He proposed that the shortage of finances for the regional press be resolved through economic support by the relevant local authorities. Board members, on the other hand, understand the term "establishment" as used in this context to mean the assumption of positions on conceptual issues. To be able to assess them, board members will all receive copies of the periodicals in question.

Quality will be the basic criterion used in assessing the amount of subsidies. Attention will also focus on possible economics in the production process (quality of paper, use of color, number of staff members, and so forth).

The task of the board, which includes representatives of the minorities and of the Ministry of Culture, is to distribute 23.5 million korunas among 26 Hungarian, 9 Ruthenian and Ukrainian, 8 Romany, and 2 German periodicals. The editorial offices' demands add up to 66 million korunas. A subsidy of 40 million korunas for 40 periodicals was available last year. The board members elected Zoltan Sido of Csemadok [Hungarian cultural association] as their chairman.

'Dramatic Decline' in Czech-Slovak Trade

LD0803195093 Bratislava STV 1 Television Network in Slovak 1830 GMT 8 Mar 93

[Text] In the period since the split of the common [Czechoslovak] state the volume of foreign trade between the Czech and Slovak republics has suffered a dramatic decline. In the first month since the split of the

[Czechoslovak] currency the volume of mutual exchange has reached six billion korunas, that is, 60 percent less than was the volume in the same period last year.

According to data provided by the Czech Central Bank, in the period 8 February to 4 March exports to Slovakia [from the Czech Republic] reached 3.7 billion korunas and imports from Slovakia [to the Czech Republic] reached 2.2 billion korunas.

Troops To Join UN Forces in Former Yugoslavia

AU0503180893 Bratislava SLOVENSKY DENNIK in Slovak 3 Mar 93 p 2

[TA SR report: "A Replacement of Troops"]

[Text] The first unit of the independent Slovak Army will be sent to operate within the framework of UN troops in former Yugoslavia. This will be a sapper unit to replace a Canadian unit. Its mission was approved in the Slovak Government, with two votes against—those of the two women ministers. Participation in the UN operation means that the Slovak Army's professionalism has been recognized and that the Slovak Republic will participate in important international peace operations, which means no small prestige. The Czech Republic Government has also approved the sending of a similar unit. The participation of both small central European republics follows the successful operation of the former federal army. After one of its units was in Kuwait two years ago, this will be the second participation of Czech and Slovak soldiers abroad since 1989, and the first within the UN framework.

Inspection Shows Army Adhering to Agreement

LD0503172593 Prague CTK in English 1623 GMT 5 Mar 93

[Text] Bratislava March 5 (CTK)—A Hungarian Disarmament Control Commission did not find any records discrepancies between bookkeeping and actual weapons disposal at the Slovak Army training base in Lest, the Hungarian team's commanding officer, Col. Antal Herdics, told a Bratislava press conference today.

Herdics added that the inspection was made in accordance with an agreement on the reduction of conventional weapons in Europe signed in Vienna last year.

The team inspected 735 tanks, 322 armoured carriers and 394 artillery pieces set aside for dismantling at the Lest base.

Career Soldiers Prefer To Remain in Czech Army

AU0803170493 Bratislava PRAVDA in Slovak 5 Mar 93 p 2

[TA SR report: "The Army Has a Shortage of Specialists"]

[Excerpts] Bratislava—Senior officials from the Slovak Defense Ministry held a press briefing in Bratislava yesterday. [passage omitted]

A considerable amount of the overall 8.2-billion koruna budget has been earmarked for training, ensuring the Army's capability for action, and the state's defense. Apartments for career soldiers should be built this year at a cost of 200 million korunas. According to Defense Ministry State Secretary Igor Urban, the Finance Ministry will earmark even more funds to resolve the issue of soldiers' housing and eradicate the current unfavorable situation as much as possible.

Of the 8,686 Slovak career soldiers serving in units in the Czech Republic, only 747 of them have—so far—shown an interest in serving in the Slovak Army. Some 600 are already serving in Slovak garrisons. Urban said that the main reasons for this situation are the soldiers' families, and social and working ties to the Czech Republic. Almost two-thirds of Slovak officers serving in the Czech Republic are married to Czechs, their children go to Czech schools, they have relatives and apartments there, and—perhaps—better employment prospects and material amenities.

Urban also referred to another problem—the departure of specialists from the Army. There is a shortage of lawyers, economists, teachers, and experts in legislation and finance. In reply to a question on what the Army can offer when recruiting from the more desirable professions, he said: Work for an unlimited period. "Given the current privation in the labor market, that is a great deal," he added.

Andrejcek Discusses Military Problems

AU0503201593 Bratislava PRAVDA in Slovak
27 Feb 93 p 5

[Interview with Imrich Andrejcek, former CSFR defense minister, by Milan Holub; place and date not given: "We Need Capable People Everywhere"]

[Text] Engineer Imrich Andrejcek, despite the civilian suit he is wearing today, has performed all military functions, including the CSFR Defense Minister. Recently, he participated in establishing the Army of the Slovak Republic and its controlling organs. He is competent to answer the question that many people in the army—and outside the army, too—are asking:

[Holub] What are the current problems, conditions, and prerequisites for establishing an army of a new state?

[Andrejcek] The most important problem is to establish the Ministry of Defense and the Army Command, then the air force and air defense. First of all, we have a shortage of qualified experts. This applies to all levels of the command. We have to learn to perform functions that are several levels higher than those we have performed so far. Moreover, we have only as many funds as

Slovakia was able to give us. With smaller funds, we are trying to establish a defense system that does not neglect any sphere.

[Holub] The division of the federal army's property in the sphere of technology and material was satisfactory. Regarding the professional soldiers, however, this division was not that successful, so they say.

[Andrejcek] I would not say so. At the Federal Ministry and the General Staff, 18 percent of professional soldiers were from Slovakia. Many of them have their families in Prague. Many of them were frightened by ill-considered statements addressed to them. There are also some who are still hesitating. Others, if they have not found a better job in the civilian sphere, came here. The problem is that, at the federal ministry, there were few people of Slovak nationality in important and controlling functions. It will take time to retrain people who were used to work as executive officials in the state administration to be able to work in posts from which the administration is run. We need capable people not only here, but at the ministry. It is anticipated that this ministry will have only 340 positions. We also need people at the Army Command of the Slovak Republic in Trencin, and other levels of the administration and command.

[Holub] In what military units do we have the most serious shortfall?

[Andrejcek] We have the largest shortage in ground personnel in the Air Force. As far as the flying personnel is concerned, we have enough trained people here, because of the understanding of the Czech partners during the division of the property. We have not managed to retrain a sufficient number of ground personnel on airports. We are addressing people who have this qualification to apply for this service. Within several years, civilian employees will work in functions in which there are officers and commissioned officers now. This is why they would have good prospects if they started working for us as soon as possible.

[Holub] Does that mean that the professionalization of the army is certain now?

[Andrejcek] I am convinced that the majority of officers in Slovakia would be happy with an immediate professionalization of the army. In Kezmarok, we have a regiment in which there are positions for professionals. We are unable to fill them because we cannot offer the applicants good accommodation conditions. This is why I view professionalization as a goal that will become realistic in several years from now.

[Holub] The problem of military training facilities is closely connected to the training of experts. Slovakia is at the advantage here, since most of these facilities are in Slovakia. Is it an advantage or not?

[Andrejcek] Most of the secondary schools are really in Slovakia, and we even have three universities here: the school for pilots in Kosice, the technical school in

Mikulas, and the school for teachers in Bratislava. By the end of April, both republics should decide their further utilization. If the Czech Republic is interested in sending its students here, the existing situation will remain unchanged. If not, we must reorganize the army's training facilities, since the number of students will decline considerably. Anyway, there are armies in the world that do not have such vast school systems. Their people are given the training in other countries, or they are trained at civilian schools and the army provides courses making their education complete.

[Holub] Shortly after November 1989, the opinion prevailed even in the army command that the staff of officers should be apolitical, that is, they should not be members of any party. Later on, a Federal Assembly law was passed which allowed professional workers to be members of parties. What is your personal opinion?

[Andrejcak] Not all of us are able to behave democratically, and with the necessary class. I am convinced that in this situation it is more advantageous if professional workers do not participate in the work of political parties. First, they are more independent; second, they can devote their time to their duties in the army. These duties are so demanding—not only regarding direct responsibility for people and technology, but also regarding the education of the soldiers toward patriotism—that there is no time left for anything else.

[Holub] The Association of Slovak soldiers and some members of one of the parliamentary parties are raising objections against your candidacy for the defense minister. They are accusing you—figuratively speaking—of being lukewarm toward the national issue of the federal army; words have been said about neo-Stalinism....

[Andrejcak] It is difficult for me to speak about such matters, and I usually do not react to such statements. How should I defend myself against the fact that I served

in the army in Bohemia? I had no one behind me who would help me to avoid serving in the Czech Republic—as was the case of many nationalists of today. The army needed me there. My children learned Czech, then Slovak, and so on, and so on. However, I believe that no one would dare say directly to my face that my attitudes are antinational. I do not consider the fact that I was able to be on good terms with my Czech colleagues, equal to them in my work, and fulfill my tasks well, as being lukewarm toward national issues. The contrary is true. Anyway, everyone must be judged according to the results of his work. I have a clear conscience, with respect to myself and with respect to those who are criticizing me.

Kovac Appoints Constitutional Court Chairman

*LD0803154093 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1400 GMT 8 Mar 93*

[Text] Slovak President Michal Kovac has appointed Milan Cic as chairman of the Constitutional Court of the Slovak Republic. (Stefan Ogurcak) becomes deputy chairman.

Entrepreneurs Party Holds Constituent Assembly

*LD0603121593 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1130 GMT 6 Mar 93*

[Text] The first republican constituent assembly of the new Party of Entrepreneurs and Small Businessmen of Slovakia [Strana podnikatelov a zivnostnikov Slovenska] opened in the great hall of the Transport and Communications College in Prievidza. The party was registered last month and to this day it has issued 5,000 application forms to its members and followers. More than 200 delegates from 22 districts in Slovakia are discussing the main tasks and program goals of the new party. In the first voting it was decided that Prievidza will become the seat of the party.

Interview With Finance Minister Ivan Szabo

AU0903105193 Budapest NEPSZABADSAG in
Hungarian 6 Mar 93 pp 1,12

[Interview with Finance Minister Ivan Szabo by Katalin Bossanyi; place and date not given: "The Finance Minister Does Not Want a Szabo-Program—Interview on Deficit, State Budget, and the 100 Billion Found"]

[Text] Contrary to assumptions, the new finance minister wants to consolidate the state budget. He reorganizes and expands the economic cabinet and turns it into a decision-preparing forum.

In his new position, Ivan Szabo again takes the real processes as a basis. He does not deny his past as an industry politician, and he conducts hard bargaining with the IMF. During our interview, it was also revealed that the 1992 gross domestic product [GDP] was somewhat more than what has been calculated because 100 billion forints were found when the balances were assessed.

[Bossanyi] The public received your appointment with a certain amount of ambivalence. It might be reassuring that you are perhaps the most tolerant politician of the Hungarian Democratic Forum [MDF] and the one who is most willing to make compromises. At the same time, it is clear that you are not very familiar with the secrets of monetary politics. How do you see your place in this duality?

[Szabo] It is true that I do not come from the banking profession, and I have not been making budgets. However, in Hungarian public law, the finance minister is the main custodian of the economic policy of the day, which is also expressed by the fact that he is the head of the economic cabinet. Indeed, I am not familiar with all details of monetary and fiscal policy, but I think I have an overview of the whole macroeconomy. In addition, I think that the willingness for compromise and negotiations are also very important in the current circumstances. This might have been [former Finance Minister] Mihaly Kupa's political weakness. He was unable to "sell" the necessary steps that had to be made to the government coalition (because he did not have the necessary political weight in any of the coalition parties) in such a way as to make it easier to accept his views. The views of an independent expert have a different impact from that of a—it seems—confidant.

[Bossanyi] I believe that no one has doubted that your predecessor was a great expert of his area. As a matter of fact, in a recent interview he said that he considers the current government to be some kind of a "political committee." Speaking about you, he said that although as an industry minister you supported his efforts, you started to maneuver in delicate situations. What is your view on this?

[Szabo] I cannot understand this. What do you mean, for example, by delicate situation? Unless you mean the

debate over the credit notes in which I did not make a statement because—as I have already told you—I did not support it because it would have been a waste of time to evaluate a "semiprepared" idea. I maintain this view. Otherwise, we had a correct relationship. Where his activities came to a dead end is a different matter. In my view, the prime minister made this step because of the huge difference between the planned and actual budget deficit in 1992—which undoubtedly created a crisis of confidence within the IMF both in the country and in the finance minister. In addition, in the middle of the talks with the IMF, he came up with a state budget consolidation program that created great resistance in all members of the government. After all, this is why the talks with the IMF were halted. In one week, it is impossible to prepare a program affecting the whole economy and society that is to last many years. I believe all these factors together led to the personal consequences.

[Bossanyi] After your parliamentary hearing, expert observers already indicated that you probably would not continue Kupa's state budget consolidation program. Or will you?

[Szabo] I will continue the consolidation, and I will change its sections, rather than its speed. Even then, this program will create a lot of resistance in Parliament. Actually, the government has not yet made a final decision on this. We will first talk to the IMF and see if we can come to a compromise. I expect a shift in three areas, namely in broadening the taxation bases, in more fully asserting the principle of need in welfare provisions, and in establishing more efficient incentives in handling unemployment.

[Bossanyi] In addition to the expert debate, the consolidation of the state budget is also a hard political decision because, in the short term, it definitely means unpopular measures. Will you and are you able to make this step before the elections?

[Szabo] I hope that this can be done. This is one of the reasons I would like to discuss this with the economic leaders of all parliamentary parties. In my view, there is an increased scope for maneuver because the responsibility of parliamentary parties is very different before the elections from the middle of the election cycle. Now, none of them will oppose sensible measures, or make promises that can soon be proved to be unrealistic. This can be the basis of the consensus.

[Bossanyi] It is in Kupa's basic interest to praise whatever he has done or could have done. Your situation is such that you could even have a realistic view of the situation. Will we have a Szabo program?

[Szabo] I do not like programs linked to names. I will submit various proposals to the government, and if they accept these, it will be the government's program. Naturally, there will be changes compared to my predecessor. The economy's situation is completely different from that of two or two and a half years ago. It would be madness not to face this.

[Bossanyi] You recently said that, being aware of the current government structure, you have given up the idea that the Industrial Ministry should be responsible for the whole economic policy, and you acknowledge that this role belongs to the finance minister. Does this mean that you are the key minister now? Do you have the necessary scope for maneuver and the influence within the government?

[Szabo] I intend to increase the scope for maneuver based on consensus in this position. I already said at my parliamentary hearing that I would involve new participants in the economic cabinet. At the cabinet session on 3 March, I already announced some new methods for the style of the work and the preparation.

[Bossanyi] For example?

[Szabo] For example, I do not like the fact that the economic cabinet is made to face accomplished facts, when only yes or no can be said to a proposal because it is to be discussed by the government the following day. I would like to turn the cabinet into an economic think-tank. This is where we formulate the concept that is later developed by the various ministries, and then we discuss it again. I can give you another example. We have not received any reports on the views formed at the discussion held by the state secretary for public administration on 2 March. I would like to change these things with a better preparation. The cabinet is primarily a decision-making forum that can help the government's work in this way.

[Bossanyi] Previously, you strongly emphasized that industry policy is an organic part of economic policy. In your previous position, you drew up a new industry policy concept that placed the main emphasis on crisis management. As a finance minister, do you still think that this concept can be managed and financed?

[Szabo] Our good cooperation with Kupa is indicated by the fact that the issue of the well-known 12 large companies is more or less settled now. The fact that the credit consolidation program has begun also indicates this. At the last cabinet session, we also concluded that cleaning up the bad portfolios of the banks is not worth anything in itself if this is not linked to a reorganization program affecting the enterprises that are in the background of these banks.

[Bossanyi] How can this be accomplished?

[Szabo] The budget has to give 10 to 15 billion forints to this. The rest, in accordance with the consolidation programs, will be divided between the banks, enterprises, and the population. However, I am more willing to spend on this than on the completely chaotic and wasteful social security because, as a result of a successful reorganization, a nonartificial acceleration of the economy may start.

[Bossanyi] You have always said that you are a pragmatic politician who takes the real processes as a basis. Can you also do this in your new position as the first guardian of the budget?

[Szabo] I will make sure that the deficit will not increase any further. I do not wish to enter the numbers game, and I am not a fortune-teller who can predict now, at the beginning of March, exactly how much the budget deficit will be in 1993. I am also well aware of the uncertainty factors. However, I would like to indicate that, whether we look at the deficit, inflation, or the GDP, we can see many inaccuracies in the data and mistakes in measurements. Most of these result from the transformation of the economy. It is no accident that the views of experts are so different on the size of the GDP. In addition, it has just come to light that there is a 100-billion forint discrepancy in the calculation of last year's GDP that can still be corrected on the basis of the balance data. This might also put the budget deficit into a somewhat better light.

[Bossanyi] Are you optimistic about the main processes in 1993?

[Szabo] I do not wish to make a premature judgment. In my view, unemployment will still increase in 1993, but we will be able to keep inflation below 20 percent. There is also a phenomenon that has not been seen in Hungarian industry for 15 years. Rather than decreasing, industrial performance actually increased in December 1993, and on the basis of a survey, it now seems that 60 percent of the annual capacity of the determining large enterprises is already tied down by orders.

[Bossanyi] However, exports decreased considerably compared to the year before!

[Szabo] This has some exchange policy reasons, and the agricultural product base also decreased. We must also not ignore the fact that there is recession in Europe and the United States.

[Bossanyi] What about privatization, acceleration, and the chances of growth?

[Szabo] When privatizing the property of the National Property Management Inc. [AV Rt], we placed emphasis on capital-increasing methods. Income can be raised from selling the enterprises that belong to the State Property Agency [AVU], but this probably will not be as much as we planned. By the end of March, we will draw up the method of accelerating privatization. The credit note is only one of these. We have to see which will really be effective. I am in favor of acceleration because, under the current circumstances, the danger of losing property increases and the employment possibilities also deteriorate. I believe that the real proprietors will give the real answers to both problems. The chance of growth also lies in this.

[Bossanyi] It is remarkable that economic problems are in the focus of the current MDF weekend. Is this your influence?

[Szabo] I would like the faction to become familiar with the most important government programs so that we can also take the deputies' views into consideration before making a decision. Realistically, we have to expect that their attention will increasingly be focused on their electoral district from the second half of the year. For this reason, I intend to submit the 1994 budget by June. I wish to concentrate my energies on this and on beginning the overall credit and state budget consolidation. However, this task will last more than one year.

Bank Explains Large Bond Issue; Denies IMF Fears

LD0903132693 Budapest MTI in English 1249 GMT
9 Mar 93

[Text] Budapest, March 8 (MTI-ECONews)—President of the National Bank of Hungary (NBH) Akos Peter Bod denied that the reason for Hungary's increasing presence in international bond markets was its fear of a possible failure in IMF talks.

In an interview with MTI-ECONews, Bod expressed confidence that Hungary's agreement with the IMF would further improve Hungary's international credit rating.

The DEM [German mark] 1 billion bond issue of late February could be explained by the current level of German interest rates and followed NBH reports that now was the right time to step into the German capital market with a relatively large issue, Bod said.

This year, Hungary plans to issue bonds to a total of USD 1.5bn as a prelude to an expected revival in the economy and higher debt service commitments in 1995-96.

If NBH found interest rates too steep it would refrain from issuing bonds, as it did in Japan last autumn when the Central Bank considered Japanese rates were too high. Later NBH placed its bonds at more favourable conditions.

The recent bond issue in Germany was at 2 per cent above face value and with annual interest of 9.25 per cent, a significant reduction in interest rates over the previous issue, Bod said.

He also spoke of the budget deficit, domestic interest levels and the Gross Domestic Product (GDP). He believed there was no way to reduce inflation without cutting back GDP.

The Central Bank had to concentrate on the forint's stability and so conduct a policy that lowered inflation. Consequently the government had to cut spending to head off expectations of high inflation, he said.

The importance of reducing the budget deficit, especially as a proportion of GDP, also related to signs of growing demand for loans. However, the situation this year was made more complicated than last year because the state now issues bonds with several years' maturity and so needs a larger market, Bod explained.

In 1992, both the budget deficit and short-term financing caused difficulties.

Jeszenszky Meets With NATO Secretary General

LD0803212893 Budapest MTI in English 2103 GMT
8 Mar 93

[Text] Brussels, March 8 (MTI)—Hungarian Foreign Minister Geza Jeszenszky conferred with NATO Secretary-General Manfred Woerner about the south Slav situation and questions related to Eastern and Central Europe, in Brussels on Monday [8 March]. Jeszenszky presented to Woerner a letter from Prime Minister Jozsef Antall.

Speaking to Hungarian journalists, Jeszenszky described the about 45-minute discussion as a friendly meeting.

Close relations between Hungary and NATO require regular consultations, the need for which is emphasised by current events in region, he said. The talks also covered possibilities for preventative diplomacy, he added.

In the evening, Jeszenszky attended the working dinner of the EC and Visegrad group (the Czech and Slovak republics, Poland, and Hungary) foreign ministers.

Previously, the Visegrad group foreign ministers met Sir Leon Brittan, EC Commission deputy president in charge of foreign trade relations.

Discussions at the dinner were concerned with political cooperation between the EC and the Visegrad group, the south Slav crisis, and the situation of Russia and Ukraine.

Jeszenszky said the talks were part of preparations for the EC summit to be held in Copenhagen in July. The Visegrad countries hope the summit would give them the prospect of full membership, which will be declared to be a common aim.

On Bulgaria's association agreement signed on Monday, Jeszenszky said that Hungary welcomes the augmentation of the European unity process, but added that the Visegrad countries stand far closer to each other in their development than to other countries in the region. In this way, the EC association agreements with Romania and Bulgaria do not mean an end to the advantage stemming from the Visegrad countries' position.

The Hungarian foreign minister will return from Brussels on early Tuesday morning.

Democratic Forum Deputies Hold Meeting*AU0903115593 Budapest MTI in English 1944 GMT
7 Mar 93*

[Text] Budapest, 7 Mar (MTI)—Addressing a meeting of Hungarian Democratic Forum (HDF) deputies at Balatonkenese on Sunday, Prime Minister and HDF Chairman Jozsef Antall criticized the party politicians, including Istvan Csurka, who continued to pursue policies running counter to the decisions of the National Convention. Imre Konya, HDF parliamentary leader, told the press today.

The prime minister stressed that the Hungarian Road circles and the HDF were entirely different organizations, and the former should not be based on the latter, he added.

In a secret ballot, the parliamentary group elected an eight-member presidium from 12 candidates. Although Csurka was also nominated, he failed to receive a sufficient number of votes. Konya denied that there had been an effort to squeeze out representatives of the populist wing from the presidium. "Three members of that wing - Imre Laszlo Toth, Huba Kozma and Bertalan Andrasfalvy—have been elected into the presidium," he said.

The MPs discussed a number of economic topics as well. Ivan Szabo, minister of finance, told the press that in his view, supported by plenty of foreign experts, privatization is a success story in Hungary. In 1990, 95 percent of privatized assets worth HUF 10 billion went into foreign hands. Last year, 40 percent of the assets worth HUF 50 billion were already purchased by domestic investors, Szabo said.

The MPs discussed the ways of developing a social-welfare system based on need.

Leadership Supports Centrist Policies*LD0803140393 Budapest MTI in English 1344 GMT
8 Mar 93*

[Text] Budapest, March 8 (MTI)—The ruling Hungarian Democratic Forum's (HDF) newly elected parliamentary leaders are politically balanced, highly qualified and support a centrist policy, HDF parliamentary group head Imre Konya said on Monday.

Konya spoke at a press briefing introducing the group's new leaders, who were elected at a meeting in Balatonkenese over the weekend.

Konya said the national-populist, extremist Istvan Csurka and national liberal Istvan Elek were not in the new leadership because even after the HDF's 6th national convention they had taken part in debate that "damaged unity".

In addition, recently, they had rarely participated in the work of the parliamentary group's leaders, nor in legislation, he said.

While, the new leadership was largely unknown to the press and the public, they were well-known to HDF parliamentarians, who recognized their work, and by electing them have voted to pursue balanced policies and avoid confrontation, Konya said.

Nevertheless, he added, no one should be excluded from the HDF and party unity should be preserved.

In answer to a question, Konya said, that Csurka had launched a series of attacks, in the party weekly "MAGYAR FORUM", against the government and the prime minister that seemed to contradict his pledge of support made at the HDF national convention.

Interview With KDNP Chairman Laszlo Surjan*AU0903105893 Budapest MAGYAR NEMZET in
Hungarian 6 Mar 93 p 7*

[Interview with Laszlo Surjan, chairman of the Christian Democratic People's Party [KDNP], by Istvan Javorniczky; place and date not given: "We Need A Healthy Radicalization"]

[Excerpts] [passage omitted] [Javorniczky] What do you regard as the major task today in your party's program?

[Surjan] As early as in April 1992, we were already urging a change in the direction of our economic policy. We thought that, compared with the galloping inflation of some neighboring countries, we had quite good results in halting and reducing inflation in Hungary; however, by continuing a restrictive economic policy, Hungary will not be able to advance. Principles similar to ours were formulated in the programs of several ministers in the course of the government change, such as the development of the infrastructure, the issue of unemployment versus investment, and a more active export support. We are in favor of the operation of a more open privatization system. However, as the smallest party in Parliament, we are unable to have a decisive influence on events to the extent we would like. Therefore, our policy formulation activity mostly focuses on the tasks awaiting us between 1994 and 1998. [passage omitted]

[Javorniczky] In your opinion, what is the main difference between the Christian Democratic People's Party [KDNP] and the Hungarian Democratic Forum [MDF]?

[Surjan] I see a similar difference between us and that between the Alliance of Free Democrats [SZDSZ] and the Federation of Young Democrats [FIDESZ]. We hear of a social democratic trend, a harder social liberal core, and occasionally the emergence of some national words and symbols within the SZDSZ. The FIDESZ wants to be a much more homogeneous and hard liberal party. In our case, there are also other very important values for us too. We also respect human freedom and, in this respect, we are open to cooperation with the liberal parties, just as in many countries in Europe. [passage omitted]

[Javorniczky] In the course of three years, the membership of the parties has changed and radicalized. I heard from KDNP deputies that that party also has problems in preserving their moderate and calm tone, because its sympathizers in the provinces have ideas similar to Istvan Csurka's ideas.

[Surjan] Hungary needs some sort of a healthy radicalization or firm measures. If these measures fail to be implemented, the whole country will become radical. I do not only mean doing justice here; we have expressed our position on this issue clearly. Settling the issue of 1956 is inevitable, because we must create social peace and, without settling the 1956 issue, there is no hope for this. [passage omitted]

[Javorniczky] What is your opinion about the election chances of the KDNP? Will your 10 percent result in your role as holding the balance be repeated? Is there any coalition permutation that you would rule out from the outset?

[Surjan] You know the old joke: If a lady says yes, then she is not a lady. If a politician says no, then he is not a politician. Let me refrain from saying no, but I have some ideas and I cannot envisage certain alliances. Let me also refrain from saying yes, because the next coalition must be decided along substantial issues this time. We will negotiate with those whose election results will authorize them to negotiate. We hope to be there among the parties that can work on forming a government. [passage omitted]

Privatization Discussed at Forum of Experts

LD0903103493 Budapest Kossuth Radio Network in Hungarian 0600 GMT 9 Mar 93

[Text] To date, approximately 600 state enterprises, out of 2,000, have been privatized in Hungary. This was noted by State Secretary for Privatization Tibor Pongracz at a forum of experts yesterday. At the discussion, which was attended by small- and medium-scale entrepreneurs, it was also said that the entrepreneurs are unable to gain access to the economic data of the firms concerned, prior to sale. Kata Peli Nagy sums up the other questions and replies.

[Peli Nagy] Privatization revenues cannot be utilized for the purpose of patching up the budget. This was stated by Tibor Pongracz, who formerly was the key person in the Ministry of Finance and who not long ago became titular state secretary for privatization affairs.

It was not very necessary to prove to the small-scale entrepreneurs that the economy could not get back on its feet without injections of capital, investments. All this entered the discussion in connection with the reworking of the assets policy guidelines that were withdrawn not long ago, although the state secretary did not give details.

Nor did he give details about the direction in which the former elements of the credit note system had been

modified. It is certain that they were altered; Tibor Pongracz, who according to his admission previously shared the concerns of the finance minister at the time, Mihaly Kupa, now is of the opinion that the possibilities for making use of these have been considerably refined. The new version will go before the government by 31 March. According to press information, the special commission charged with working it out is also considering a coupon version of transferring assets that is virtually free of charge. This was not confirmed by the state secretary. However, he added: There are arguments. It appears that opinions also differ on whether the revenues or the number of proprietors should be increased; the two do not go together.

Hungarian-German Trade Strengthened in 1992

LD0803142193 Budapest MTI in English 1139 GMT 8 Mar 93

[Text] Budapest, March 8 (MTI)—Hungarian trade with Germany, its biggest trading partner, continued to strengthen in 1992, reaching a record value of USD 6.15 billion and accounting for about 30 per cent of Hungary's trade.

The value of Hungarian exports to Germany reached a high of USD 3.08 billion, growing 10 per cent over 1991, while German investment in Hungary also continued to grow reaching about USD 500 million, or more than one-tenth of total foreign investment.

Hungaro-German trade is regulated by an agreement with Germany on economic, industrial and technical cooperation that was extended in 1984 for another 10 years.

It is also regulated by Hungary's associate agreement with the European Community, initialled on 22 November 1991 and in force on a provisional nature last March. It was extended this year.

The benefits set down in the EC agreement, lifting quantity restrictions, reducing tariffs and increasing import quotas on some agricultural products, as well as giving preferential treatment on industrial products similar to preferences given by the EC to developing countries, boosted economic cooperation with the now unified Germany.

As Hungary's top trading partner, Germany accounted for 29 per cent of Hungarian exports and 28 per cent of total trade. Germany took USD 3.08 billion of the total USD 10.7 billion in Hungarian exports and provided the same USD 3.08 billion out of Hungary's total imports of USD 11 billion. This share corresponded to 1937 ratios.

Figures from the past three years show a powerful growth in trade with Germany and the balanced nature of this trade. In 1990, exports to Germany were worth USD 1.72 billion and in 1991 they were USD 2.76 billion. Imports from Germany in 1990 were USD 1.62 billion, and in 1991 USD 2.59 billion.

Heavy machinery accounted for about 30 per cent of exports to Germany, while food products accounted for more than 20 per cent.

Meanwhile, in less than a year, Hungarians employed on projects in Germany rose by about 60 per cent, mainly due to the increased output in light industry and oil processing. The value of Hungarian work carried out in Germany amounted to several hundreds of millions of dollars.

In 1992, on average, some 14,000 Hungarians worked for German companies every month, not as individual employees, but mainly through Hungarian sub-contractors. They mainly worked as mechanics and in the building industry.

The number of Hungarian firms participating in trade with Germany rose to about 10,000 in 1992.

Meanwhile, the value of German investment in Hungary in 1992 reached USD 480 million, or more than one tenth of the total foreign investment of USD 4.7 billion.

The combined number of fully German-owned and joint German-Hungarian companies rose to 3,000 in 1992, accounting for about 23 per cent of the 13,000 firms in full or partial foreign ownership.

These figures put Germany in second place, behind the United States, both in regard to investment in Hungary, and company interests in Hungary.

German companies investing in Hungary, such as Siemens, the Henkel group and Stollwerck AG, have decided to make new investments, while other German firms are just beginning to invest. They include Schering AG, which last year opened a chemical trading company here.

Major German participation is also expected in developing Hungary's infrastructure, while through its latest investment bank, the Kreditanstalt Für Wiederaufbau, the German government is to provide a DM 450 million loan to modernize the Hungarian section of the Budapest-Vienna railway line.

Finance Ministry Figures on 1993 State Budget

LD0803152193 Budapest MTI in English 1501 GMT 8 Mar 93

[Text] Budapest, March 8 (MTI-ECONews)—Figures released by the Finance Ministry on Monday reveal that in the first two months of 1993, Hungary's state budget saw revenues of HUF 144.4bn and spending of HUF 170.2bn, resulting in a net deficit of HUF 25.8bn, HUF 8.4bn more than in January and HUF 11bn less than in February 1992.

Company payments amounted to a net HUF 23.5bn as a balance of HUF 32.9bn in payments and HUF 9.4bn in subsidies.

The report says that the state budget had a net HUF 47.3bn surplus in consumption-related taxes over subsidies.

Income tax payments amounted to HUF 44.5bn, of which HUF 30bn went to the state budget and the rest to local councils, in line with the 70/30 ratio laid down in the 1993 budget law. This is in contrast to the 50/50 split in previous years.

Together with other levies and taxes, state budget revenues from individuals amounted to HUF 36.2bn.

The balance of debt service-related income and outlays showed a surplus HUF 6.4bn, due to the fact that withholding tax revenues on individual deposits and securities accounted for HUF 13.7bn in February and HUF 14.5bn in the first two months of the year.

State debt repayments are due at the end of each quarter and are not taken into account in the first two months' figures.

To cover the deficit of the state budget, the state issued HUF 20bn of state bonds in January and a further HUF 65bn the following month.

Number of Border Violations Decreases 25 Percent

LD0903093693 Budapest MTI in English 0902 GMT 9 Mar 93

[Text] Budapest, March 9 (MTI)—The number of border violations decreased by 25 per cent over the first two months of 1993, the spokesman of the border guard said on Tuesday.

A total of 2,900 border violations occurred over January and February, 1,000 fewer than in the same period last year, Attila Krisan said.

On Hungary's border with Austria, the number of violations has dropped by 30 per cent, while on the border with Romania, the number has decreased by 60 per cent. At the same time, illegal traffic has doubled through the border with Yugoslavia, and increased fivefold through the border with the Ukraine, Krisan said. The Hungarian-Ukrainian border, however, is still the calmest with 100 border violations over January-February 1993.

Over two months, the Hungarian border guard have denied entry to more than 60,000 foreigners due to their failure to meet entry requirements. The border guard have seized nearly 300 forged passports, detained 32 people smugglers and prevented 43 stolen cars from being taken out of Hungary over January and February.

IMF Accepts Polish Adjustment Program

LD0803204293 Warsaw PAP in English 2015 GMT
8 Mar 93

[Text] Warsaw, March 8—The International Monetary Fund unanimously accepted the Polish adjustment programme which equals the approval of a standby arrangement with Poland, Minister of Finance Jerzy Osiatynski said on Monday [8 March] adding that the "pact on state enterprise" enjoyed IMF's greatest recognition.

Osiatynski said that the IMF's acceptance of the programme is an international certificate of Polish economic programme's credibility and of the financial discipline in the government financial policy.

Under the standby arrangement Poland will receive nearly 700 million U.S. dollars during the coming 14 months to finance the external costs of economic restructuring.

The minister also said that the IMF highly evaluated the mass privatization programme but expressed concern over the delay of the parliament's final decision on the issue. Closing, the minister said that the adjustment programme is not easy but it is realistic and can be materialized if financial discipline is strictly observed.

Motion To Charge Balcerowicz Rejected

AU0903115293 Warsaw PAP in English 1149 GMT
5 Mar 93

[Text] Warsaw, March 5—The Sejm (lower house of parliament) today voted to reject a draft motion to call former deputy prime minister and finance minister Leszek Balcerowicz to account before the Tribunal of State to answer for his alleged responsibility in the so-called "schnappsgate" scandal.

In a separate vote, the Sejm decided to drop legal proceedings against Leszek Balcerowicz.

"Schnappsgate" refers to the massive import of alcohol into Poland in the late 1989/early 1990. Balcerowicz, finance minister between September 1989 and December 1991, was criticized for allegedly failing to act to block legal loopholes which were exploited by alcohol importers. Billions of zlotys are believed to have been lost in unpaid tax revenues as a result.

The Sejm did however vote in favor of bringing to account before the Tribunal of State former internal affairs minister Czeslaw Kiszczak and former chairman of the Main Customs Office Jerzy Cwiek, also involved in the scandal.

At the same time, the chamber decided to drop cases against four other former officials: ex-foreign economic relations minister Marcin Swiecicki and three members of the last communist government—Foreign Trade Minister Dominik Jastrzebski, Deputy Premier Ireneusz Sekula and Finance Minister Andrzej Wroblewski.

Suchocka: Government Seeks Agreement With Walesa

LD0203180193 Warsaw PAP in English 1736 GMT
8 Mar 93

[Text] Rome, March 8—My political line is as follows: To defend the government's prerogatives, and to seek a unity of intentions with the president, Prime Minister Hanna Suchocka said on Monday [8 March] in an interview for the Italian Catholic daily "AVVENIRE."

"The government's relations with President Walesa are very good," Suchocka stressed. "I don't want to pass judgment on my predecessors, but it is fair to say that the Olszewski government (Jan.-June 1992) created a state of constant warfare."

Commenting on the problems of decommunisation in Poland, the prime minister identified two issues. The first is the establishment of individual responsibility, and the second, to investigate society as a whole, where the Communist Party once had 2 million members. "In other words, do we want a civil war?" she asked. Suchocka also accused ex-communists of seeking to destabilise the situation in Poland by involving themselves in the decommunisation debate.

Asked about recent attacks on President Walesa, Suchocka noted: "They are absurd, and the hardest thing to understand is that the same people who sought his election in 1990 are now trying to prevent him from exercising his office."

The interview was conducted by journalist Luigi Geninazzi, who noted that Hanna Suchocka had emerged as something of an "iron lady" during her period in office. "In 8 months, she has succeeded in changing Poland's image in the world, and opinion polls testify to her popularity," he wrote.

Walesa, Suchocka Meet To Discuss Foreign Affairs

LD0903112393 Warsaw PAP in English 1103 GMT
9 Mar 93

[Text] Warsaw, March 9—Prime Minister Hanna Suchocka and President Lech Walesa met Tuesday morning [9 March] at Belvedere Palace to discuss the prime minister's recent visits to Vienna and London and the International Monetary Funds decision on Monday to accept the Polish adjustment programme. They also discussed the current situation in Poland and protests staged throughout the country.

Discussing the IMF's acceptance of Poland's programme, President Walesa said he is very glad to see that "the West has noticed Poland's effective reforms" and judged Poland as worth investing in. He warned, however, that in order to keep moving in the right direction, "we must work harder and more decidedly."

According to the prime minister, the IMF's decision is a direct consequence of the acceptance of the 1993 budget by the Sejm. "The West sees that we are consistently heading in the direction of reform and acceptance of the budget was a milestone, undoubtedly influencing the IMF's decision."

SLD To Seek Representation in Sejm Presidium

*LD0903164793 Warsaw PAP in English 1610 GMT
9 Mar 93*

[Text] Wroclaw, March 9—Head of the Sejm caucus of the Democratic Left Alliance (SLD) Aleksander Kwasniewski on Tuesday [9 March] said in Wroclaw, southwestern Poland, that he will strive to win a seat for an SLD candidate in the Sejm Presidium, claiming that the biggest parliamentary party should be represented at this Sejm body.

In Kwasniewski's opinion, the presidium was composed as a result of a "leap", made at the start of the term by five parties, namely the Christian National Union (ZCHN), the Confederation of Independent Poland (KPN), the Peasant Agreement (PL), the Centre Alliance (PC) and the Liberals. This violated the tradition, according to which the biggest parties are represented in the Presidium. All taxpayers bear the costs of this kind of irresponsibility, for the posts of deputy speakers, secretaries, chauffeurs, etc., Kwasniewski charged.

Kwasniewski, who is chairman of the Main Council of the Social Democracy of the Republic of Poland (SDRP), and several other SLD deputies are now in the Low Silesian region in the connection with the forthcoming second congress of SDRP in Warsaw.

SLD Denies Intention To Join Government Coalition

*AU0903105793 Warsaw RZECZPOSPOLITA in Polish
4 Mar 93 p 2*

[Report by 'J.T.P': "Time To Come Out Of Isolation"]

[Text] Press reports and remarks by politicians that the Alliance of the Democratic Left [SLD] might join the government coalition are totally unfounded, said Jozef Oleksy, deputy chairman of the SLD parliamentary club, at a news conference in the Sejm building on Wednesday [3 March]. "There have been no talks on this subject," Oleksy continued. "These rumors are part of a certain political strategy. They are the result of the coalition's weakness, and they stem from a desperate attempt by it to seek support to be able to survive."

Even if preliminary talks about SLD participation in the coalition were to begin, the SLD still sees no possibility of doing so. "This is a makeshift coalition, put together through fear that leading post-Solidarity groups might lose their pervasiveness," Oleksy continued. "This is a

coalition that contains ridiculous discrepancies, a coalition dominated by the ideological stream imposed by the Christian-National Union."

The SLD, it was said, does not consider its presence in Polish politics merely a way to gain ministerial seats but chiefly as an opportunity to introduce a specific program. In this respect, it represents a stream that is in opposition to what is presently going on in Poland. "The present coalition guarantees no changes in economic thinking, no economic revival. There are no guarantees of a genuine perpetration of the principles of a law-governed state and of an end to the ideologization of political life," said Oleksy. "But if the coalition's actions conform to the SLD's program, our club will be prepared to support the coalition for the benefit of the country, and not for the satisfaction of certain politicians or groups."

Replying to questions, Oleksy said that the Polish Peasant Party [PSL] is programmatically close to the SLD, and that cooperation with other parties might also be possible, but not with the Christian-National Union.

Sejm Debates Privatization, 'Schnappsgate'

*AU0803132293 Warsaw PAP in English 2350 GMT
4 Mar 93*

[Text] Warsaw, March 4—The draft law on the mass privatisation programme returned to the new session of the Sejm (lower house) today, following detailed work in the parliamentary commissions.

Earlier, in a piece of business uncompleted from Wednesday, the Sejm voted to reject the government's report on the circumstances and justifications for the creation of the controversial trans-border "Carpathian" Euroregion, involving parts of Krosno province (south-east Poland), and several districts from Hungary, Slovakia, and Western Ukraine.

The mass privatisation programme was first presented to the Sejm in autumn 1992. Under the government's proposals, 500-600 state-owned enterprises will be transformed into corporations of the State Treasury, and around 60 percent of their shares would be transferred to about 20 professionally-managed national investment funds.

All Polish citizens will be eligible to receive shares in these funds, probably in 1994, on payment of a registration fee which is likely to be set at no more than 10 percent of average monthly wages. It is planned that the funds will eventually be quoted on the Warsaw stock exchange.

The legislation has generated much political controversy, and a total of 27 minority amendments have been tabled, the most important being a proposal to limit eligibility to adult citizens alone. Other amendments would introduce the mass privatisation programme in two stages, with only 200 enterprises being included in the initial stage,

and increase the number of shares to be allocated to cover compensatory payments to public-sector workers, and recipients of old-age and invalidity pensions.

The mass privatisation programme is broadly supported by the coalition parties, with the Democratic Union (UD), the Christian-National Union (ZChN), Peasant Agreement (PL), and the Polish Liberal Programme (PPL) declaring their support. The conservative Polish Convention (KP) will also vote for the legislation, while the "Solidarity" parliamentary group has made its support dependent on the passage of several key amendments.

The left and right-wing opposition parties have declared that they will reject the bill.

The Sejm also began its discussion of a Sejm motion to call former Finance Minister Leszek Balcerowicz to account before the Tribunal of State, to answer to his alleged responsibility in the so-called "Schnappsgate" scandal.

"Schnappsgate" refers to the massive import of alcohol into Poland in late-1989/early-1990, in contravention of customs and tax regulations. Billions of zlotys are believed to have been lost in unpaid tax revenues as a result.

Balcerowicz, finance minister in the first non-communist governments (September 1989-December 1991), is alleged by his critics in the opposition parties to have failed to act to block the loopholes which were exploited by illegal importers.

In a dramatic intervention, former Prime Minister Tadeusz Mazowiecki, head of the government at the time, called for all proceedings against Balcerowicz to be dropped. There is "a frightening disproportion" between the need to scrutinize ministerial actions, and the call to bring Balcerowicz before the tribunal of state, he said. Voting on the motion is expected on Friday.

At today's session of the Senate (upper house), senators discussed proposals to update the Polish court system. The proposals met with a negative reaction from senators, particularly in relation to reforms in the legal structure, and the vetting of judges.

Adam Strzembosz, president of the Supreme Court, told the upper house that he opposed the creation of a permanent system for vetting judges. While he accepted the principle of investigating abuses of human rights by Poland's courts from before 1989, the creation of a permanent mechanism would impact badly on the administration of justice.

The Senate is scheduled to vote on this issue on Friday.

The upper house also discussed proposals for the reorganisation of the economic activities of local government bodies.

The current sessions of both houses of parliament continue on Friday.

Kaczynski Alleges Formation of Political Police

AU0803132593 Warsaw PAP in English 1859 GMT
5 Mar 93

[Text] Warsaw, March 5— Leader of the Centre Accord (PC) Jaroslaw Kaczynski, at a press conference in the parliament building today, charged the State Protection Office (UOP) with forming a political police.

Kaczynski said that in February 1993 a sixth department for the surveillance of the activity of political parties, trade unions and all actions organized by the opposition was set up as part of the UOP's Bureau for Analysis and Information.

The PC leader added that the department is headed by Lieutenant-Colonel Janusz Stradowski, former functionary at the third department of the Interior Ministry, who had not been vetted in 1990 for the purpose of further work at the Ministry.

Jaroslaw Kaczynski stated that he was also notified about the creation of a group directly connected with deputy head of the UOP, Colonel Gromoslaw Czempinski, which was formed within the UOP first department (secret service) to accomplish special actions directed against the opposition.

Kaczynski stressed that this upholds his thesis that undemocratic instruments of power are being built in Poland.

Kaczynski said he would support a motion put forward by Deputy Mariusz Marasek of the Christian National Union to set up a special commission for examining the activity of the UOP. He added that he would also question the prime minister about her knowledge of the matter.

At the same conference, Kaczynski announced he would ask for lifting his parliamentary immunity in connection with a lawsuit filed against him after he had accused secretary of state at the Presidential Chancellery Mieczyslaw Wachowski of collaborating with the former security service. He upheld his objection against the fact that the lawsuit was filed by the provincial prosecutor's office and not by an individual.

Meanwhile, Interior Minister Andrzej Milczanowski, in an interview for the Krakow-based RMF radio, denied Kaczynski's information, saying that a department for the surveillance of the opposition does not exist. "The sixth department exists in each organizational unit but it has nothing to do with surveilling the opposition," he said.

The minister denied the PC leader's information once again when he spoke to journalists in the Sejm after Jaroslaw Kaczynski's press conference. "I most firmly deny it," he stressed.

Security Chief Interviewed on NATO-2 Concept

PM0803120593 Krakow GAZETA KRAKOWSKA in Polish 25 Feb 93 p 3

[Interview with Minister Jerzy Milewski, minister of state at the President's Chancellery and head of the National Security Office, by unidentified correspondent; place, date not given]

[Text] [GAZETA KRAKOWSKA] Do you not have an impression that our ability to help Ukraine is greatly limited in comparison with Kiev's expectations?

[Milewski] Without any doubt we are not a country which can offer Ukraine any significant financial "shot in the arm," but because that country, which has only existed independently for just over a year, is very isolated. All real rapprochement—if not material, then at least political and psychological—is very important in its situation.

[GAZETA KRAKOWSKA] Kiev reacted with the keenest interest to Belweder's [President Walesa's official seat] concept of setting up a "NATO-2" organization as well as other political and economic structures in Central Europe. However, it now appears that the NATO-2 idea has been suspended in a conceptual void.

[Milewski] That particular project, put forward and consistently promoted by President Walesa, is still awaiting detailed elaboration and preparation in the form of a specific blueprint, that is, if there are enough interested countries ready to take it up. Our neighbors to the south and east, that is, the new postcommunist states, are very much interested in every proposed action which could help them consolidate their new and still very unstable statehood. However, if the NATO-2 concept is to be realized, Western states must first acknowledge it as interesting enough and significant enough from their own viewpoint. There is no such interest on the part of the West so far, and this is why the concept remains in the sphere of ideas and has not been transformed into a concrete proposal.

[GAZETA KRAKOWSKA] Nor has it met with enthusiastic reception from our partners in the Visegrad [Czech Republic, Slovakia, Hungary, Poland] Group.

[Milewski] No, this is not quite true. Admittedly, Czech Premier Vaclav Klaus spoke against the concept on several occasions, but other politicians—not only in the Czech Republic, but also in Hungary and Slovakia—have certainly expressed their interest in the idea.

Presidential Spokesman on Markiewicz Nomination

LD0803113893 Warsaw PAP in English 1115 GMT 8 Mar 93

[Text] Warsaw, March 8—Presidential spokesman Andrzej Drzycimski in a Monday interview for Radio "Zet" denied that the presidential chancellery had

received a letter from head of the Cabinet Office Jan Maria Rokita in which he allegedly protests against the nomination of Deputy Marek Markiewicz (Solidarity) as chairman of the National Council for Radio and Television.

According to "GAZETA WYBORCZA", Rokita addressed a letter to the president, protesting against Markiewicz's nomination and claiming that the nomination was not countersigned by Prime Minister Hanna Suchocka.

The presidential spokesman claims that the president only named Markiewicz as his candidate for the post so he still has no powers. The nomination will be officially handed later on after the whole council is appointed.

The president is expected to present his candidates to the council after both houses of parliament have decided on their candidatures.

Markiewicz Only 'Designated' Broadcasting Chief

LD0803155693 Warsaw PAP in English 1540 GMT 8 Mar 93

[Text] Warsaw, March 8—Presidential spokesman Andrzej Drzycimski in a Monday [8 March] interview for Radio "Zet" denied that the presidential chancellery had received a letter from head of the Cabinet Office Jan Maria Rokita protesting against the nomination of Sejm Deputy Marek Markiewicz (Solidarity) as chairman of the National Council for Radio and Television.

According to a report in Monday's edition of the mass-circulation GAZETA WYBORCZA, Rokita criticised the nomination of Markiewicz in a letter to President Walesa, in which he protested that the nomination had not been countersigned by Prime Minister Hanna Suchocka.

Drzycimski stressed that, at the moment, Markiewicz has only been designated to the post, although President Walesa has made it clear that he favours the appointment. Formally, however, Markiewicz has no powers, since his nomination and appointment can only be confirmed once the whole council has been named.

The president is expected to present his candidates to the council after both houses of parliament have decided on their nominations.

Later on Monday Lech Falandysz, deputy head of the Presidential Chancellery, confirmed Drzycimski's statement. In a statement responding to Rokita's criticism of President Walesa's apparent nomination of Markiewicz, Falandysz stressed that there had been no formal "nomination," although the president has stated a preference for Markiewicz, the formal nomination will take place only after the appointment of the whole committee, in accordance with the legal provisions of the new broadcasting law, Falandysz claimed.

Jacek Kozlowski, director of the Government Press Office, on Monday stressed that Rokita's letter of March 5 in no way questioned the Markiewicz candidature. The head of the Cabinet Office was simply drawing attention to the formal requirements under the broadcasting law, he said.

Council for Mass Media Holds First Meeting

AU0803131293 Warsaw PAP in English 2051 GMT
3 Mar 93

[Text] Warsaw, March 3—Presidential Spokesman Andrzej Drzycimski, in the absence of the president due to his sudden illness, opened today the inaugural meeting of the Council for Mass Media and Information attached to the president.

Journalist Maciej Ilowiecki was elected chairman of the 49-person advisory body which is designed to operate in five working teams.

"The level and state of mass media determines the development of democracy. I believe that the new media will be teaching the rules of democracy as well as pluralism. They have such a possibility as today they are free," the president stressed in his address he was to have delivered to the members of the Council.

Walesa also observed that mass media often become an arena of political clashes and emphasized that mass media might be seen as the fourth estate.

Ilowiecki stressed in his speech that politics threaten the functioning of mass media and, like the president, pointed to the fact that media are the scene of political clashes.

During the discussion it was decided that one of basic objectives of the Council is the creation of a system guaranteeing freedom of speech and media.

Regulations of the Council caused much controversy. The participants in the meeting criticized the Council's proposed standing orders for making the Council too much subordinated to the president.

Problems of Trade With Ukraine Viewed

PM0503112393 Krakow GAZETA KRAKOWSKA in
Polish 25 Feb 93 p 3

[Ewa Szurminska article: "Friendship Also Means Shared Interests: Following the 'New Challenges, New Responsibilities' Conference]

[Text] Poland was the first country to recognize Ukraine's independence. In May 1992 we signed a treaty of good-neighbor relations, friendship, and cooperation between our two countries. In recent months, there were visits to Kiev by premier Hanna Suchocka and Ministers Krzysztof Skubiszewski and Janusz Onyszkiewicz. On Lech Walesa's initiative, a consultative committee has been set up for the Polish and Ukrainian presidents.

Their respective cabinet offices will be linked by a communications hot line. Unfortunately, the animation in our political relations is still not matched by a corresponding development in the economic exchange between the two countries.

Ruin Follows Communism

The economic situation in the Ukraine is dramatic. As reflected in price rises, hyperinflation reaches the figure of 50 percent each month. Almost 95 percent of the economy is still in the hands of the state, as no blueprint for a privatization program has been drafted to date. Production is falling sharply, and many enterprises have reached the stage of a two- or three-day working week. This is also the result of the absurd structure of the Ukrainian economy, which is dominated by the heavy industry and military weapons sectors. Ukraine inherited from the USSR the world's largest armaments potential, which includes the world-famous SS-20 missile factory. All this is further compounded by Ukraine's dependence on Moscow. This is particularly strong as regards raw materials for the power-generating sector. Furthermore, as much as 90 percent of Ukraine's foreign trade is with Russia.

The Ukrainian republic, which has enjoyed its newly gained independence for just a year, suffers a great shortage of trained personnel cadres. This is so bad that the process of setting up a number of government institutions has not even been properly completed. The banking system is still operating according to the rules of the communist economy. The difficulties with the restructuring processes are made even worse by the central management system and the gigantic network of bureaucracy. All decisions, whether large-scale and strategic or concerning particular issues, are made in Kiev. There is no local self-government system, nor an efficient local administration which could take over the responsibility for a number of tasks connected with the introduction of the market economy system.

One particular problem which the Ukrainian authorities find especially taxing is the persistence of a post-totalitarian mentality. "Our public's deep-seated desire is to lean on the state, not to rely on themselves," Leonid Minin, vice minister for the economy, asserts. "The traditional belief in the paternalistic figure of a good tsar still lingers in our society, while the population's low living standards make it impossible for us to attempt to introduce an economic shock therapy fashioned on the Polish model."

Possible Ways Out

Clearly, Ukraine's economic problems are similar, even if not identical to those experienced by Poland back in 1989. The government, led by Leonid Kuchma, is reluctant to introduce radical measures, justifying its hesitation by the high risk of social tension such measures would inevitably carry. A Polish businessman whose company has a branch in Kiev, compares this situation

to the problems of the man who, needing to dock his dog's tail, decides to carry out the operation in several stages, shortening the tail by an inch or so at a time.

At the moment, the principal goals mapped out by Kuchma's government are to stabilize the currency, halt recession, privatize state enterprises, and restructure the state's banking system.

A similar therapy was recommended for Ukraine by Leszek Balcerowicz: "If your economy is plagued by hyperinflation, then the strategy of introducing the necessary changes in gradual, gentle steps will never be effective. Hyperinflation could be compared to a fire breaking out in your home. Once the fire has taken hold, you do not extinguish it 'gradually'—it would be suicidal."

Poles Are Cautious

Poland's trade with Ukraine for the past year amounted to the unimpressive sum of \$350 million. Barter exchange (goods traded for goods) dominated the scene because Kiev does not have convertible foreign currencies at its disposal.

About 350 joint business ventures set up partly with Polish capital are at present active in Ukraine. However, these are all small, mostly commercial companies. Major established firms are still unwilling to involve their money in the unstable and unpredictable Ukrainian market.

Minister Says Barter Essential With Ukraine

PM0803152793 Krakow GAZETA KRAKOWSKA in Polish 25 Feb 93 p 3

[Interview with Andrzej Arendarski, international economic cooperation minister, by unidentified correspondent; place, date not given]

[Text] [GAZETA KRAKOWSKA] Two months have now passed since Premier Hanna Suchocka's December visit to Kiev. Let us make a brief resume of that period.

[Arendarski] Nothing exceptional took place of which we could be particularly proud. On the suggestion of the Ukrainian side, we postponed the date of the talks to be held by the joint commission. They are now to take place in early March.

[GAZETA KRAKOWSKA] The process of privatization is beginning to be implemented in Ukraine. Are Polish enterprises interested in it? Is there a chance of our taking an active part in that process?

[Arendarski] Many Polish companies are interested in establishing themselves firmly in the Ukrainian market. On the other hand, however, they are all perfectly aware of the risks involved, since Ukraine's future is difficult to predict. Moreover, the idea put forward by the Ukrainian side is to privatize enterprises with the use of their

own resources and only enter into joint ventures with foreign partners once that first stage is completed.

[GAZETA KRAKOWSKA] Does this mean that the joint ventures would be set up in partnership with workers' shareholding schemes?

[Arendarski] I was rather chilled, as indeed was Leszek Balcerowicz, when I first heard about the proposed profile of privatization favored by the Ukrainians.

[GAZETA KRAKOWSKA] So it looks as if we are now facing another year of barter exchange between our two countries, does it not?

[Arendarski] I would be lying to you if I said that normal commercial relations with Ukraine would begin in a month's time. We need at least another year for that, and perhaps another one beyond, and one more into the bargain. In any case, we shall not be able to abandon the practice of barter exchange quickly. Provided that it is practiced on terms which are acceptable for both sides, I do not see anything very wrong in it. Barter is a fairly anachronistic form of commercial exchange, but it is dictated by life and we should not complain about it; we should accept it and gain what we can out of it. Because if we were to abandon the idea of barter exchange, our trade with Ukraine would drop by between 20 and 40 percent. And that is one thing which we cannot afford to let happen.

Hall Criticizes Government, Wants More Posts

AU0903105093 Warsaw RZECZPOSPOLITA in Polish 4 Mar 93 p 2

[Report by 'K.Gr.': "Hall's Party Wants More"]

[Text] The Conservative Party wants to have its own representative on the National Council for Radio and Television and wants to occupy two vice minister posts—health and culture, said Aleksander Hall, the party's chairman, at a news conference on Wednesday [3 March]. He accused the government coalition, to which his party belongs, of "stagnation."

"We see in the coalition a total absence of the will to implement the second stage of the reforms in Poland," he said. He also said his party opposes the "informal expansion of the president's power."

In Hall's opinion, the government coalition has been stagnant since the new budget was passed. "The coalition is not in a position to reach any decisions on government decrees or personnel matters, and the prime minister's freedom of movement is rather restricted," he said. Nevertheless, he does not see any viable alternative to the present coalition.

Hall claimed that the Justice and Interior Ministries are "malfunctioning" and that "one must do something about the fact that ministers from the Democratic Union

are immune to criticism." He complained about moves made by Finance Minister Jerzy Osiatynski and Labor Minister Jacek Kuron.

The Conservative Party "cannot tolerate the lack of reaction from politicians, even those in the government coalition, to the informal expansion of the president's powers," Hall continued. Other facts he criticized are "the president's desire to control the National Guard," the fact that "at his meeting at the Gdansk Shipyard, the president did not rule out the possibility of a coup d'etat," and "the holding of office by persons with a dubious past" (by which he meant Mieczyslaw Wachowski [top Walesa aide]).

Talks Continue With Germans on Asylum Law

LD0803144793 Hamburg DPA in German 1326 GMT
8 Mar 93

[Text] Warsaw (DPA)—German-Polish negotiations on the consequences of the planned new German asylum law are continuing in Warsaw today on the expert level. Olaf Reermann, the head of the German delegation, is the head of a department in the Bonn Interior Ministry. On the Polish side, representatives from the Interior Ministry, border protection forces, and Foreign Ministry will take part in the two-day talks. The experts are to lay down the framework for a future German-Polish agreement.

During the previous two rounds of talks in Warsaw and Bonn, one of the controversial topics was the so-called old cases of asylum seekers, who are already in Germany and had entered via Poland before the new regulations had come into force. Piotr Szczypinski, spokesman for the Polish Interior Ministry, reaffirmed today that the regulations could on no account be enforced retrospectively and expressed "moderate optimism" with regard to the prospects of an agreement.

Warsaw maintains its position that Poland has neither the financial nor administrative capacity to take in tens of thousands of asylum seekers sent back from Germany.

Kazakhstan Wants Increased Trade Cooperation

LD0803152493 Warsaw PAP in English 1457 GMT
8 Mar 93

[Text] Warsaw, March 8—Kazakhstan's First Deputy Minister of Energy and Fuels Nurlihen Begbasinov said in Warsaw on Monday his country is interested in imports of Polish machinery and equipment for power industry in exchange for Kazakhstan's oil.

The Kazakhstan delegation held talks with officials in the Polish Industry Ministry, and is scheduled to meet with representatives of Polish firms.

New Party To Safeguard 'National Interest'

AU0803131893 Warsaw PAP in English 1831 GMT
4 Mar 93

[Text] Warsaw, March 4—The leader of the Party of Polish Democracy [Stronnictwo Demokracji Polskiej—SDP] Ziemowit Gawski today termed his grouping as a party of national interest guided by Christian principles.

Speaking to newsmen, Gawski explained that the ideological profile of his party overlaps with those of other centre-right groupings, especially the Christian National Union (ZChN) and Jan Olszewski's Movement for the Republic of Poland (RDR).

He added that the party was established this February 27 from the Polish Christian Democratic Forum (PFCH-D) and the recently set up Confederation "Polish Democracy," which affiliates seven associations and two foundations. "We want to become the political representation of these movements," Gawski said.

He also declared that his party does not want to get involved in political disputes with the presidential circle, irrespectively of the party's stance on the place and role of the president in the political system of the state. He also disclosed that the party has worked out its own economic programme.

The party has at present two deputies in the Sejm and enjoys a 3,000 strong membership.

Poll Illustrates Parties' Popularity Ratings

LD0903171593 Warsaw PAP in English 1654 GMT
9 Mar 93

[Text] Warsaw, March 9—As many as 43 percent of the respondents to a poll conducted recently by the CBOS Public Opinion Polling Center said they approved of the views and interests represented by the Democratic Union (UD). The Democratic Union is followed closely by the Polish Peasant Party (PSL) whose policies enjoy the support of 40 percent of those polled.

The third place in this popularity ranking went to the Peasant Agreement—PL (23 percent), the fourth to the Confederation for an Independent Poland—KPN (22 percent), the fifth to the Christian-National Union—ZChN (19 percent) and the sixth to the Center Alliance—PC (14 percent).

At the same time as many as 40 percent of the respondents said they disapproved of the views and goals pursued by the Christian-National Union while 39 percent disagreed with the program of the Center Alliance. Objections as to the views represented by the left-wing Social Democracy of the Republic of Poland (SDRP) were felt by as many as 26 percent of those polled.

Out of the 33 percent of Poles who declared they would certainly go to the polls if new elections were called 16 percent said they would vote for the Democratic Union, 15 percent for the Polish Peasant Party and 9 percent for the Confederation of an Independent Poland.

Senators Question Government, Ministers on Program

AU0903100193 Bucharest ROMPRES in English GMT 0927 GMT 9 Mar 93

[Text] Bucharest, ROMPRES, 9/3/1993—Several senators interpellated the government in the presence of several of its members in the yesterday's sitting, 8 March.

Senators demanded the Ministry of the Interior to clarify the actions in the village of Ghimes, Bacau County, where ethnic Hungarians are requested to give their yes vote to a project of setting up "a future Hungarian-Szeckler state" on Romanian territory.

Interpellations were also addressed to Health Minister Iulian Mincu, Education Minister Liviu Maior, Water, Forest and Environment Minister Aurel Constantin Ilie, Justice Minister Petre Ninosu, to other secretaries of state, National Bank representatives.

Parliament Continues Discussion

AU0903090493 Bucharest ROMPRES in English 0840 GMT 9 Mar 93

[Text] Bucharest, ROMPRES, 9/3/1993—The two chambers of the Romanian Parliament met in a joint sitting this morning to further discuss the strategy of social-economic reform proposed by Mr. Vacaroiu's Cabinet for its term of office.

Taking the floor on behalf of the FDSN (Democratic National Salvation Front) group, Martian Dan, member of the Lower House, pleaded that the programme submitted to parliament for debates by the acting government was the document proposing, for the first time since December 1989, a global outlook of the reform process in Romania.

Martian Dan rejected the idea some circles are trying to accredit that the FDSN was against the reform. On the contrary, he said, this party has been constantly in favor of the economic reform and for its extension to a socially bearable limit. Whatever objection the FDSN brought against it regarded only the manner in which the country's economy had been managed by the previous governments, and against a reform on a background of chaos, pain and hopelessness, which favored a handful of people to the detriment of a large majority, Deputy Martian Dan said.

PSM Criticizes Government's Economic Policy

AU0803191893 Bucharest ROMPRES in English 1741 GMT 8 Mar 93

[Text] Bucharest ROMPRES, 8/3/1993—The lack of transparency as far as the "disastrous" results of the first two governments after the revolution were concerned, the mistake of a liberal approach of the Romanian economy, a too much importance given to privatisation,

seen as "a miraculous mechanism apt to resolve everything," the unjustified fear of economic planning are some of the things the Socialist Party of Labour, PSM, reproached the Vacaroiu government with, speaking of its economic strategy. Alongside all this, Tudor Mohora, deputy chairman of the said party, told a press conference on Monday, March 8, that the government had taken no measures to stop the decline in the living standards, that have reached a "critical level," which can lead to serious social movements. He also reproached the government with doing nothing to prevent corruption, "at high levels" included.

As for the recent debates in Parliament, before Premier Vacaroiu read out the government's strategy, the PSM deputy chairman opined they had no object, as both the government and its draft programme had been approved, in keeping with the constitution.

Mr. Mohora mentioned that the government could not really set long-term objectives, and said "the claims those responsible for the present situation have in this respect" were a "political gambling." As there is no legal basis for a censure motion, an attempt has been made to create a diversion by exaggerating the differences in the leftist parties' opinions as far as the strategy is concerned, in order to cause a government crisis, added Mr. Mohora. He opined that the said "political gambling" is the work of the parties that had declined to enter the government, and had no alternative to it, that the National Salvation Front and the Democratic Convention, that go from left to right and from right to left at wish, are behind it.

Iliescu: Meetings With Party Leaders 'Very Useful'

AU0803191493 Bucharest ROMPRES in English 1800 GMT 8 Mar 93

[Text] Bucharest ROMPRES, 8/3/1993—Pointing out that Romanian President Ion Iliescu's meetings with the parliamentary parties over the past two weeks were part of the president's concern with maintaining a constant dialogue with the country's representative political forces, a communique released by the president's spokesman assesses those meetings as very useful to the president.

The interviews confirmed the stabilisation after the September 1992 general elections of the trend towards normalisation, towards the tackling of the matters of concern for the political forces within the constitutional frame of the institutions of the state of law.

The president's feeling—the communique reads—is that the political approaches of the various parliamentary parties had improved in point of realism and clear-sightedness, with a visible effort on their part to adjust both their theoretical and their practical demarche to the country's realities. "There is increasingly obvious awareness," the communique reads, "that the social economic

solutions can only be achieved through joint efforts and constant dialogue in order to overcome the transition's difficult moments."

The president is grateful to those who, during discussions, pointed out dysfunctions in the political dialogue, tendencies towards bureaucratization of the state's institutions and organisations, as well as towards excessive politization of certain state and government structures in the light of the recent elections, and even phenomena of spreading corruption.

As for the more important issues of domestic politics, like carrying out the reform, privatisation and development of a civilian society, the parliamentary parties expressed similar points of view, a clear general option becoming visible towards a determined continuation of those processes as essential prerequisites of the transition towards market economy and consolidation of the democratic system in Romania. The differences in opinions, arising from the parties' specific political orientation, bore especially on the pace of those processes, the concrete envisaged solutions and sometimes on the very approach to the issues, which was natural.

The discussions also occasioned the conclusion that over a series of important matters of Romanian foreign policy the standpoints of the political parties were similar, sometimes even identical, which will make it easy to elaborate common stands and a strategy to promote national interest that will be supported by all the country's political forces in relations with other countries.

Among these there are: providing conditions that Romania may remain, and consolidate its position as, a stability factor in this part of the European continent, development of a special relationship of economic and spiritual integration with the Republic of Moldova simultaneously with supporting the strengthening of the latter's independence, Romania's integration in the Euro-Atlantic structures, avoiding Romania's involvement in a military adventure related to the developments in former Yugoslavia, setting relations with the neighboring states on principles of international law, full normalisation of Romania's relationship with the United States of America including reinstatement of MFN [most favored nation] status for Romania.

The Romanian president intends to maintain contacts and systematic consultations with the representative Romanian political parties, remaining open to any request to that effect so as to be able to exert as efficiently as possible his constitutional prerogatives—the communicative concludes.

Roman Discusses Defense Industry Issue

AU0903084093 Bucharest ROMPRES in English
0723 GMT 9 Mar 93

[Text] Bucharest, ROMPRES, 9/3/1993—Speaking on behalf of the Committee for Defense, Public Order and National Security, Petre Roman, member of the Lower

House, moved Monday, 8 March, that urgent debates be held on a legislative initiative regarding measures for the improvement of industries involved in national defense.

Mr. Roman argued that his proposal aimed at forestalling imminent social tension in the armament industry and stressed that the initiative was free of any political bias and unanimously supported by the members of the Lower House's Standing Defense Committee.

The house took note of Petre Roman's intervention and agreed to have debates scheduled for the week running.

The Lower House ended its yesterday's sitting without concluding the debates on the draft law on state subsidies for the recovery and development of agriculture, a bill initiated by the parliamentary groups of the Greater Romania Party (PRM), the Democratic National Salvation Front (FDSN), the Romanian National Unity Party (PUNR), and the PSM (Socialist Labor Party), remaining to resume them in another sitting.

Tuesday, 9 March, the two chambers of the Romanian Parliament will again meet in a joint session to tackle the governing programme defended by Premier Nicolae Vacaroiu before the chambers' joint sitting of 4 March 1993.

Foreign Minister Receives New Croatian Ambassador

LD0803191493 Zagreb Radio Croatia Network in Serbo-Croatian 1800 GMT 8 Mar 93

[Text] Romanian Foreign Minister Teodor Melescanu has received Nikola Debelic, the Croatian ambassador in Bucharest. The Croatian ambassador presented him with the credentials President Tudjman sent to Romanian President Ilescu.

On this occasion, Minister Melescanu stressed that this is an historic moment in the relations between the two countries, and that the establishing of diplomatic missions will make a considerable contribution to the versatile development of mutual cooperation.

They also discussed the imminent visit by a Romanian delegation to the Croatian Foreign Ministry (?during which it will meet with) [Croatian Foreign] Minister Zdenko Skrabalo.

Melescanu Details Results of Talks in Belarus

AU0403141193 Bucharest ROMPRES in English
0844 GMT 4 Mar 93

[Text] Bucharest ROMPRES, 4/3/1993—On arrival at Otopeni Airport Wednesday 3 March, from a visit to Belarus over 28 February—3 March, Romania's Foreign Minister Teodor Melescanu, Minister of State, showed that "no difficult problems exist between Romania and Belarus, each country trying to be useful to the other."

About the talks in Minsk, Melescau said: "We have approached the question of rendering our support to the

Republic of Belarus for its integration in the Western structures and for attaining key positions in international fora. We have also talked about the assistance Belarus could give Romania especially in its economic relations with the Commonwealth of Independent States. As you know, we have worked out the text of a bilateral treaty of friendship and cooperation, which is to be signed, hopefully, when Stanislav Shushkevich visits Bucharest next April."

From among the international issues tackled, "a first subject was that of Moldova, which has long traditions and affinities with Ukraine. We have noticed the concern of our hosts for what is going on in the Republic of Moldova, for the way in which Belarus could assist the negotiations on the Dniester conflict. This topic was then extended somehow to the role and extent of its future cooperation in the CIS [Confederation of Independent States]. Belarus considers that this republic's place is in an economic union, but not before agreements on supplying all former republics with raw materials and fuel is reached. Belarus considers that the very future of the CIS is primarily depending on this fundamental factor. Along this line, we have considered the possibility of connecting Romania to CIS crude and gas resources. Another subject was Yugoslavia, the way in which each country saw the conflict. I think there is a certain mutual understanding of the special importance the negotiations under way have, as well as the Vance-Owen peace plan, the United States' initiatives, and those of the Russian Federation for finding a solution for the peaceful settlement of the situation in Yugoslavia."

Customs Officials Confiscate Uranium From Moldovans

AU0603164293 Chisinau BASAPRESS in English
1837 GMT 5 Mar 93

[Text] Chisinau, BASAPRESS 5/3/1993—The Romanian Special Services seized two kilograms of pure uranium from two Moldovan citizens and one Bulgarian at the customs post Giurgiu on the border of Romania with Bulgaria, mentions the Russian weekly MOLODIOJI MOLDOVA (Moldovan Youth). Moldova is turning into a transit area for all kinds of traffickers. The case of tracing citizens from Asian countries who are trying to

reach the West through Romania is no longer a novelty and the attempts to smuggle across the border weapons and ammunition is a day to day fact, the weekly points out. The way the Leuseni customs point is organized between Romania and Moldova suggests lack of good organization which allows the customs officers to be easily corrupted, concludes the weekly.

Bucharest Mayor Resigns From PNL Permanent Bureau

AU0903093093 Bucharest CURIERUL NATIONAL in Romanian 3 Mar 93 p 1

[Statement by Bucharest Mayor Crin Halaicu; place and date not given]

[Text] "The Brasov National Conference [of the National Liberal Party-Young Wing and National Liberal Party-Democratic Convention], which should have brought about the rearrangement of liberal principles and should have made an impact on the political life, was dominated by tension and contradictions that have marginalized the liberal doctrine and brought personal ambitions to the forefront. Instead of having developed a coherent strategy and tactics that are adequate for the current political situation in our country, everything was reduced to a fierce competition for power. Although Mr. Quintus [newly elected National Liberal Party president] stated that he was not a partisan of such an atmosphere, he returned, again joining the presidential race. I believe that this hypocrisy on his part is an expression of a policy of petty maneuvering. I have stated before—and I remain consistent on this—that liberalism can be asserted only by respecting the spirit and tradition of a courageous integrity. I do not see any other way to be faithful to my convictions than to turn in my resignation from my position as member of the Permanent Bureau of the National Liberal Party [PNL]. However, this does not mean that I am parting with the liberal movement. My resignation represents my attachment to the importance of a faultless morality. In today's Romania, the force of liberal ideas can be asserted only through the individual moral example of its promoters. The composition of the Bureau is once again the result of a petty political struggle, and it is not in accordance with the PNL structures. I am against a split in the party, and I am ready to respect the vote expressed in Brasov."

Izetbegovic Assesses New York Talks

AU0803151593 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1316 GMT 8 Mar 9.

[News conference by Alija Izetbegovic, president of the Presidency of the Republic of Bosnia-Herzegovina, with unidentified foreign and domestic reporters; in the Bosnia-Herzegovina Presidency building in Sarajevo—live]

[Text] [Izetbegovic] I am going to try as best I can to [word indistinct] to present what I am going to tell you. I have not slept for two nights, so I would ask you and my listeners kindly to bear this in mind. Namely, I have just returned from this trip, at which I had a large number of meetings (and contacts), first of all with the cochairmen [Cyrus Vance and David Owen] who coordinated these talks; with representatives of the Croatian delegation; with Mr. Bartholomew, representative of the U.S. Government at these talks; and with Russian representative Vitaliy Churkin. Before that, as you know, I paid an official visit to the United States, where I met Vice President Al Gore and Mr. Anthony Lake, security adviser to the U.S. President. I met [word indistinct] a number of senators, Mr. Mitchell, and a number of congressmen whose names I cannot remember.

As you know, a military document has been signed after removing an uncertainty regarding the position of heavy weapons. General Nambiar presented an explanation that also will be included in a letter by UN General Secretary Mr. Butrus Ghali and will accompany the next Security Council resolution. This resolution is going to say very clearly that heavy weapons are going to be placed under the effective control of the international community. I think that this was the main breakthrough at this conference, which in my opinion, definitely has brought us closer to peace.

Of course, these wretched maps also were discussed and no progress has been made on them. In fact, we were of the opinion that before maps are discussed, some constitutional issues should be discussed first which concern the division of power into these three basic levels and the relation of the power of the state, provinces, and communes. Of course, this question is very important because, after all, it establishes the character of the future state, but also because of the position of the citizens and peoples in the future provinces.

As for the provinces, you know that it finally has been settled that these are not national areas of one people nor has any one people the right to claim any province for itself.

Discussions of this kind were actually exhausting and difficult owing to the differences in views expressed by these delegations and the cochairmen, who could be a fourth factor in all of this as they have their own independent views, so they are not only limited to coordination. The discussions were very difficult in that respect, so there was no progress there.

Of course, our efforts were aimed at strengthening the functions of the future state at the expense of the provinces' functions. The question again was raised about the Sarajevo province, and there was no progress there, but generally, all the issues I have mentioned here, on which there was no progress, will be discussed in the ongoing talks in New York between Mr. Vance and our delegation. As you can understand from all of this, we had absolutely no contact with the delegation led by Karadzic. [Words indistinct] I can take about ten questions.

[Reporter] Can you tell us any more about your meeting with U.S. Vice President Al Gore because we do not have any detailed information about that here in the country?

[Izetbegovic] As far as I know, we have issued a statement and that is why I have not addressed those talks here. It was a meeting that went on for more than an hour and a half. It was a joint meeting with Mr. Gore and Mr. Lake. Mr. Lake is a very important man for the future, as he now holds the post that once was held by Kissinger and Brzezinski, that of U.S. national security adviser. So it was a meeting with two very important men in the new U.S. Administration. If I were to present a resume of the talks, they reiterated their support for the integrity and sovereignty of Bosnia-Herzegovina as a state, and the importance of Bosnia-Herzegovina as a state for the United States. They were very clear about the survival of the Bosnia-Herzegovina state being of the strategic interest to the United States.

Furthermore, I was told that it was in the interest of the United States to continue with the negotiations. That has been stressed on several occasions and in several forms. The United States is interested in seeing the war in Bosnia-Herzegovina brought to a halt through negotiations and by agreement. There was some talk about what the United States was prepared to do in that respect. I would like to emphasize its readiness to stand behind that agreement with all its might, organizing the presence, as was said, of the international community in Bosnia-Herzegovina, the presence of the forces of the international community, which would include the forces of the United Nations, reinforced UN forces with a wider mandate, NATO forces, and the U.S. Armed Forces. Therefore, it would be the implementation program—that is what they call it—a program for the implementation of the agreement.

I was told on several occasions in almost identical terms about the U.S. attitude through talks with Al Gore and with their representative, Mr. Bartholomew.

I was told that in their opinion, reaching peace in Bosnia-Herzegovina—that is, signing the agreement—represents a turning point at which things in the world will start to work in favor of Bosnia-Herzegovina and not against it. They are firmly convinced that the continuation of the war in Bosnia-Herzegovina is leading to a dissolution of Bosnia-Herzegovina which encourages and strengthens the centrifugal forces in it, and that the

course of events will take an opposite turn if peace is reached. I was told this in many ways and on many occasions. If you want my personal opinion, I absolutely agree with this stand.

I think that the reaching of peace in Bosnia-Herzegovina would lead to a gradual strengthening of Bosnia's statehood and would strengthen the forces keeping Bosnia-Herzegovina together and weaken those that are breaking it apart. I think that we should proceed in this direction, not only out of regard for the fate of Bosnia-Herzegovina as a state, but to also spare our people from suffering any further and simply stop this tribulation of the people.

As far as I am concerned, I am going to try and make an effort to reach peace as well. I have come here to consult members of the presidency, government, and political parties, as well as other relevant people who can help find the right road, a road that should lead to peace. We should see whether there is a way out for Bosnia-Herzegovina which would lead to a just peace. So that is why I asked for a time-out to carry out these consultations, but I have no intention of being a neutral observer or a neutral analyst. I am not neutral in this respect: I am oriented toward having Bosnia reach peace. Of course, we are going to achieve this in the way we should, the way the majority of relevant and responsible people think it should be done. We will give such directions and instructions to our delegation.

[Reporter] Commander Halilovic reportedly has ordered a fairly major operation in eastern Bosnia; he has ordered the Second Corps to ease the pressure on some of the besieged cities there. If that happened, could it trigger a new wave of fighting there that would worsen the chances of the peace talks?

[Izetbegovic] I have not had a chance to study this order, although I have heard about it. I just arrived here about an hour ago, and I have met with several colleagues, but I assume that this order is not a new offensive, as you have put it, but is aimed at the protection of the endangered people. There is no doubt that the people there are suffering, that it is the civilians that are in danger, and that any measure to save those people from being killed and from violence is legitimate.

When it comes to this question, perhaps you will find it interesting to hear about one thing that I put forward on all occasions, including the Security Council, where I had an informal meeting. It was called especially to give me the chance to put forward our delegation's views. I mention this because I think that it caused a stir in the U.S. press and commentaries of the people who listened to it. I insisted on the lifting of the arms embargo against Bosnia-Herzegovina. In connection with that, I asked the Americans and present members of the Security Council to prevent Cerska from happening again, since our army presently is protecting about 2 million people from chetnik attacks. I said that because our army was running out of ammunition due to the embargo. I said that they

had to ask themselves what would happen to those people if our army collapses because of that, if the chetniks start breaking through our defense lines, as they have done in Cerska. It then could happen in Gradacac, Brcko, Maglaj, Trnovo, Olovo, and finally Sarajevo. Would they be ready to take responsibility for that?

Our army presently is shielding 2 million people from what happened to the people in Cerska. I said that we all were heading for the fate of Cerska; millions were heading that way. Were they ready to take responsibility as, by denying us the possibility to obtain ammunition, urgently needed ammunition, Cerska fell because our soldiers were starving, on the one hand, and had run out of ammunition, on the other. I said that this was the real situation there, that they had to keep this in mind, that our soldiers in some places have no food or ammunition. That army can collapse and 2 million people will find themselves unprotected before a chetnik assault, before an enemy who has no mercy and no scruples. I can tell you, and that is why I mention this statement, that statement caused a stir. After that, I heard some talk about a selective lifting of the arms embargo. I want to say that I do not believe for one minute that my insistence on the right to defense is in contradiction with my insistence for peace. That is the answer to the question about [words indistinct].

[Reporter] It has been suggested that you are then in favor of the map drawn by Lord Owen and Cyrus Vance. Is that the case, and if so, will you be able to sell it to the government, parliament, and other people you will be consulting before you return to New York?

[Izetbegovic] No, on the contrary. I said that I do not accept that map. You know that I have never agreed to the map. I have never signed it; it remains disputable. I have to say that this attitude of mine has met with the reply that they cannot change the map. That is why we are now in this position.

[Reporter] Mr. President, the media has said that at the end [word indistinct] in this time-out, you said you would be returning to New York after the consultations to the negotiations that are heading, according to the media, toward their successful finale. What can you tell us about that? What are the grounds for that decision?

[Izetbegovic] I had to express optimism, and I did so in view of reaching peace. I said that I have returned to hold some consultations. I said that I would not be an impartial party in the consultations, a neutral [word indistinct]. I am in favor of finding a road to peace, and only if I receive support here will I go back to New York to complete the talks, and not to sign whatever is on offer there, as a lot of work remains to be done. I would, however, go there with new instructions from here, perhaps with a new constructive attitude that would lead toward peace. I have expressed optimism that we probably would reach a solution. I think our country needs peace. Thank you very much.

Karadzic Interviewed on New York Talks

AU0803173593 Belgrade Radio Beograd Network in
Serbo-Croatian 1558 GMT 8 Mar 93

[Interview with Radovan Karadzic, president of the Serbian republic of Bosnia-Herzegovina, by Dragan Colovic; place, date not given; from the "Argument More" program—recorded]

[Text] [Colovic] Good day, Mr. Karadzic.

[Karadzic] Good day.

[Colovic] You have just returned from New York from the second round of talks on the Vance-Owen peace plan. Some people claim that the talks have failed. The greatest blame for this failure—as has become a usual thing—is being ascribed to the Serbian side. The more balanced people, on the other hand, say that this was just another in the series of painstaking stages in the negotiations to find a just and lasting solution. What is your view on this?

[Karadzic] I do not think the Serbian side should be blamed for anything this time. We did not reject anything and did not have negative attitudes but proposed better alternatives. In our view, we even came up with the idea of the only possible solution. Finally, the Muslim side has just now accepted the military document, hoping that it has been changed with Nambiar's letter to the extent that secures them the control of the Serbian heavy weapons, which is out the question. The Serbs will not accept this.

As you said, the search for a just and lasting solution would have led to a just and lasting solution, but we are under the impression and have proof that the West wants neither a just nor a lasting solution.

[Colovic] In what way is the pressure by external powers, above all from the West, manifested? In a television program this morning, you said that the Serbian side does not agree with the idea of giving up 25 percent of its territories.

[Karadzic] Pressure is coming from all diplomatic circles, or from almost all of them, and is being exerted on us to accept the maps in their current form which were deliberately drafted to divide Serbs into several provinces, and especially to separate them from their parent country, so that the Serbs in Croatia would become an easy prey for the Croatian regime, and the Serbs in Bosnia-Herzegovina to some kind of Bosnia-Herzegovina regime.

Pressures are such that since we make up 35 percent of the population, we are told that we should be satisfied with 43 percent of the territory. We are not only talking about the quantity of the territory, but also its quality, infrastructure, industry, and most importantly, the

linkage among these territories. (?This raises) the question of whether we will create several Nagorno-Karabakhs with constant fighting or whether we will solve the Serbian question in a just and lasting way, once and for all.

[Colovic] UN Secretary General Butrus-Ghali and David Owen, cochairman of the international conference, have publicly announced the possibility of imposing peace in Bosnia-Herzegovina by force. Is this only tactical pressure to sign the Vance-Owen plan in its entirety, or is there something else in it, something much more dangerous?

[Karadzic] I believe that this is tactical pressure to a great extent, although something more dangerous could evolve. However, we certainly will not work under pressure and soon will tell them not to exert pressure because we cannot (?accept) the solutions concerning the fate of our people under pressure. On the other hand, any unilateral sending of troops in the Serbian Bosnia-Herzegovina, in the Serbian republic, inevitably (?would) mean a clash with [word indistinct] forces. I think that we will tell them this openly very soon, so as not to fool themselves in this respect. We will not accept any occupation like those that took place after the Berlin Congress in 1878.

[Colovic] Mr. Karadzic, pressures come from different directions and are multifaceted. We have been witnessing fierce propaganda pressure on UNPROFOR [UN Protection Force] commanders who are, as we can see, doing their best honestly and responsibly to [words indistinct] in Bosnia, Croatia, and other places. (?I even think) that they are being compromised. In the past, this was done with General MacKenzie, and recently with Thornberry, head of the civilian part of UNPROFOR. This now is being done with General Morillon. They apparently are (?accused) of supporting the Serbs.

[Karadzic] It is totally incorrect that they are supporting the Serbs. General MacKenzie came with (?few) prejudices about the Serbs, but he very quickly realized who is who in the Bosnian conflict. We (?won) Mackenzie's impartiality only through truth. This honest and proud officer saw that the Serbs do not lie and that they behave like soldiers, as well as that there was nothing that was not militarily incorrect in their behavior. He began to realize who was conducting war and who wanted peace.

Thornberry was most certainly not on the Serbian side. I do not even know to what extent he has been impartial, but the other side is proclaiming as undesirable all those who are not helping their aims, it is proclaiming them to be guilty of something. I think that most certainly General Morillon now will see pressure on him being stepped up because the old General Morillon was supposed to lie for their benefit.

[Colovic] He did not want to do it.

[Karadzic] He did not want to do it and I am afraid that he will either resign or that they will force him to resign.

There were some other lower-ranking officers like that, such as Colonel Gray from New Zealand, who was sent home in a way. He fully realized what was going on. He clearly and openly said that the Serbian side has its rights and that it is behaving honestly.

[Colovic] Since we are talking about pressure from the outside, U.S. President Clinton has announced a possible tightening of the sanctions against Serbia and Montenegro. This is obviously meant to force the Federal Republic of Yugoslavia—or Serbia and Montenegro—to exert more pressure on you. You stated that you will leave the negotiations if the issue of further tightening the sanctions is raised again. Could you add anything else to this?

[Karadzic] I think that if they continue to blackmail and press Serbia and Montenegro—or Yugoslavia—and if the people here become increasingly worse off, and if the economy starts suffering and dying because the Serbs in the Serbian Krajina and Serbian republic are fighting for their rights, then I do not think that we should feel any obligation toward such mediators. They have proven that they are not impartial. They have proven that they are a side in the conflict and that they are interested in what the outcome of this situation will be. I can say openly that the current conference is working openly for Croatia—that is, for the West's interests, above all the interests of Germany—trying to create a great Croatia in front of everyone, while at the same time raising a racket against the alleged great Serbia.

In this case, we would leave the conference and not allow any further internationalization of political issues. We would proclaim independence and probably unite, at least, with the republic of Serbian Krajina, if not with other Serbian lands. I think that the time has come for the 12 million Serbs to stand in front of a mirror and ask themselves: Should we continue to suffer and keep on evading dirty blows from the outside delivered through the policy of small steps, such an unprincipled and dishonest campaign against us and our survival? Or should we finally say in front of the entire world: Gentlemen, we are not going to allow you to do this to us? We have our rights and we are making our state; you can either accept it or leave it, but you do not have the right to prevent us from realizing our rights.

The Serbian question is currently the most important one in the world because it is in the Balkans. I think that the Balkans presently are the testing ground for the new world order. In this sense, we should realize our importance, and in light of that knowledge, stand up and realize our aims.

[Colovic] Mr. Karadzic, one last question: You said that the assembly of the Serbian republic should discuss everything that has been happening in New York. The continuation of talks should follow only after that.

[Karadzic] Yes, we will go the republic assembly. I think that if the situation becomes more complicated, then we will consult the people. I do not know whether this will

be some kind of conciliatory, [konsiliatoran] consultative referendum or a different way of expressing the view. I do know that the importance of this issue is so great that it compels us and gives us the right to ask the entire people, at least in the Serbian republic, or perhaps in the republic of Serbian Krajina, as to what should be done next.

If Croatia continues to violate the Vance plan or the United Nations starts to think about withdrawing at the end of this month when its mandate expires, then the Serbian people should consider the newly arisen situation and make certain decisions. I think it is better that the people make these decisions because some people could challenge them. However, not everyone in the world would challenge a plebiscite or some other method of people expressing their view.

[Colovic] Mr. Karadzic, thank you on behalf of the listeners of the Argument More program.

[Karadzic] Thank you.

Calls Results 'Slim'

AU0803212993 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 8 Mar 93

[Interview with Radovan Karadzic, president of the Serbian republic of Bosnia-Herzegovina, by correspondent Tatjana Lenard; place not given—live]

[Text] [Lenard] Dr. Karadzic, you returned from New York from the second round of talks on Bosnia-Herzegovina today. How would you assess the results of the negotiations?

[Karadzic] The results are very slim. Progress has been made in the sense that Mr. Izetbegovic, the Muslim leader, has signed the military document and that the first two points of the military document could be applied even without the signing of the maps. This implies the freezing of military activities and the separation of the sides in the conflict. All other provisions of the document are inapplicable because the maps—or rather, the provinces—have not been decided.

Also, Mr. Izetbegovic believes that he signed a new military document according to which the Serbian heavy arms would be under UN Protection Force [UNPROFOR] control on the basis of Satish Nambiar's letter that was attached to it. However, we have signed a document that does not envisage this control, and we will not agree with the disarmament of the Serbs.

[Lenard] In view of the world and diplomatic circumstances, Alija Izetbegovic behaved unusually, not to mention strangely, in New York. At one time he would be ill, then he would attend or not attend the talks. What is the significance of this behavior?

[Karadzic] This behavior probably indicated the difficulties in which he found himself with the cochairmen. We do not have such difficulties with the cochairmen. We

have finally realized—and are openly saying so—that the cochairmen are not impartial, that they are profoundly partial, that a greater Croatia is being created before our eyes, and that the Croatian community in Bosnia-Herzegovina and the Republic of Croatia are being given incredible concessions, while the Serbs and Muslims are left to quarrel.

Aware of whom we are dealing with, aware that this has after all tipped the scales in favor of the West's interests, above all, German interests, which are being realized via Croatia, we do not have problems with illnesses and pain. We went to the United Nations and said our no there, flatly and clearly.

[Lenard] You also said no to the new, tighter sanctions against Yugoslavia that were announced by U.S. President Clinton.

[Karadzic] I see today that the EC ministers did not pass new sanctions but stepped up the control of the existing sanctions. Any tightening could result in our departure from the conference, while the introduction of new sanctions will definitely result in our departure from the conference because we should not work with those who entangled themselves into our crisis, offering good services and goodwill, but are now dictating us and have been doing so to the detriment of the Serbian people from the very beginning.

I think that the time is approaching when the Serbian question will be raised before the entire world as a whole, unified question. I think that the world will realize that without the settlement of the Serbian question, the Balkans and Europe will never be peaceful. Serbs have such a strong wish, such a strong aspiration, a fully legitimate aspiration to live together, and this aspiration dates back to Karadjordje [early nineteenth-century Serb leader who rebelled against Ottoman occupation] and his bourgeois revolution, so to speak, when the Serbian bourgeois class was created and the Serbian peasant liberated.

[Lenard] This time you conducted negotiations in New York under great pressure and in a very difficult atmosphere. You were also accused of attacks and even crimes in eastern Bosnia. However, French General Morillon stated the truth about what he saw there. Do you think that this will help the truth about what is happening in the former Bosnia-Herzegovina come to the surface.

[Karadzic] General Morillon has obviously defended his honor and the dignity of a French officer. I do not know whether he has saved his career. The bosses that are currently sending UNPROFOR in our crisis and all those who deal with our crisis are not interested in the truth. They are interested in a specific view that will support the propaganda lies of the Muslims and strengthen aggressive demands and behavior by some governments in the West.

I will now probably form a committee for the care of civilians, the civilian rescue committee [Karadzic says in

English]. This committee will help all civilians whenever they find themselves in the zone of combat operations and most promptly pull them out and send them to a zone where there are no combat activities. We will also let all convoys through, even if our convoys get stopped, as was the case in Sarajevo. However, we will not stop combat actions because the two-month long offensive by the Muslim forces in eastern Bosnia has resulted in the deaths of 1,263 Serbs, many civilians.

Now that the Serbs have launched a small counteroffensive and pushed out the attackers and butchers of our children, the whole world became alarmed. The Muslims have clearly announced a new offensive in eastern Bosnia. We will stop it and launch a counteroffensive and change the situation there.

[Lenard] What can we expect from the negotiations in the future? A third round in New York?

[Karadzic] I do not know whether it will be in New York. You spoke about pressure. I am personally not bothered by these pressures, but it is unacceptable for the Serbian representatives to accept restrictions in their visas. This time the visa was restricted to Manhattan, to an area of some 25 km from headquarters. We are not afraid of threats and blackmail. Their pressure simply does not affect our views. Our thinking and decisions are not influenced by this pressure, and we will always make decisions as if this pressure did not exist.

I essentially think that the negotiating process should return to Geneva. I am afraid that the pressure on Serbs will continue, particularly on the Serbs in Yugoslavia and to some extent on Serbs in Krajina. However, I think that this could be counterproductive and that the Serbs could finally present to the entire world their rights, raise the question of international law again, and the respect of the international right, among which is the right to self-determination, and fight together.

In response to my remark that no one has the right to punish Yugoslavia for our struggle for just aims, Owen recently said: The Serbian people appear to have chosen themselves to share the fate. This is a very significant sentence. If we have chosen to share our fate ourselves, then we will share a state, too.

[Lenard] Thank you, Mr. President.

Serb Leader Warns Against 'Unjustified Pressures'

LD0803171393 Belgrade TANJUG Domestic Service in Serbo-Croatian 1444 GMT 8 Mar 93

[Text] Belgrade, 8 Mar (TANJUG)—On his return from New York Momcilo Krajisnik, president of the Parliament of the Serb Republic, told TANJUG that continued unjustified pressures on only the Serb side would lead to the collapse of the conference on former Bosnia-Herzegovina.

A Serb Republic delegation, headed by President Radovan Karadzic and including Krajisnik, returned this afternoon following the second round of negotiations, which ended in New York yesterday without any result.

Krajisnik stressed that new pressures signalled primarily by the U.S. Administration, are an attempt to "pardon Croatia for its aggression against the Republic of Serb Krajina"—the Serb region under UN Protection Force protection—"despite the fact that there exist all necessary reasons to punish Croatia and not Yugoslavia, which is free from any guilt as far as the Bosnia-Herzegovina conflict is concerned."

Asked if the pressures on the Serb side only are designed to force the Serbs to say no in order to blame them for a subsequent collapse of the conference and to use this as a pretext for a military intervention against them, Krajisnik said that hitherto attempts also were aimed at finding pretexts for threats, pressures, and a military intervention.

"If they wish to blame the Serbs for the eventual collapse of the conference, they will do it for formal reasons because no others exist. It is Vance and Owen and the international community that will have to be blamed for the collapse because they have drawn up a plan that is basically wrong and has many shortcomings," Krajisnik explained.

He went on to say that "in its totality the plan is designed to split the Serb people among several provinces, thus undermining its national identity. This is unacceptable to the Serb nation."

Asked about the chances of having the Vance-Owen maps redrawn, Krajisnik said that the two cochairmen asked the Serb side to spell out its priorities in some of the provinces. "This led us to conclude that they are prepared to make minor corrections," Krajisnik said.

He went on to stress that the Serb side "made it clear that insignificant map corrections will do nothing to resolve the problem. For instance, our priority in Bosanska Krajina is a border running along the right bank of the Una River-Jajce-Kupres line. In province three, our priority is the region of Posavina, for the Serbs in Herzegovina it is the Neretva valley, and in eastern Bosnia the Drina valley."

"There are too many disputed areas for us to accept small corrections," Krajisnik said.

Krajisnik gave a negative reply to the question of whether it is possible for the Serbs to join mixed bodies of authorities, on which the Muslims and the Croats reached an agreement in New York.

He recalled that the Serbs' idea is to form an interim coordinating body that would work on the creation of some kind of future community for all three nations, but only on the basis of the three nations' full consent.

"Muslims and Croats used that idea to suggest the formation of an interim presidency and government, of the sort that already exist. They even suggested that almost the same people should be in them. This is a move by which Izetbegovic is trying to establish his authority throughout Bosnia-Herzegovina, while Boban is using it only to show the Croatian side as cooperative, although the Croats will never agree to give up on their statehood," Krajisnik stressed.

"We rejected that initiative because it resembles too much previous Muslim-Croat coalitions in which the Serbs fared very badly. It also has no future. Bosnia-Herzegovina is not the past or the present or the future," Krajisnik said.

Asked about the chances for success of the talks on former Bosnia-Herzegovina, considering all this, he said: "We have already made great concessions. We made a proposal to restore peace and accept part of the Vance-Owen plan."

"The cochairmen had no major objections to our proposals because they were well founded. We suggested that the Vance-Owen plan should be implemented in two phases in order to overcome the crisis. In the first phase we would accept what is undisputed, while controversial issues would be further negotiated in the second phase, and peoples should vote on them in referendums," Krajisnik explained, noting that the cochairmen now must find a way to bring the negotiations to an end.

U.S. Airdrops Aid to Srebrenica, Gorazde

LD0903084393 Hamburg DPA in German 0316 GMT 9 Mar 93

[Text] Frankfurt (DPA)—Transport planes from the U.S. Air Force again dropped aid over eastern Bosnia last night. The targets of the six Hercules planes were the towns of Srebrenica and Gorazde. In Frankfurt, a spokeswoman for the U.S. Air Force told DPA this morning that 45,360 military rations and 5.3 tonnes of medicine were dropped last night. There had been no incidents, she said. The rations contained canned meat and vegetables, fruit, sweets, and chewing gum. Since 1 March, the U.S. Air Force has dropped food and medicine over Bosnia every night.

Aid Packages Found

AU0903113193 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 9 Mar 93

[Text] During the night, U.S. military transporters carried out the ninth mission of airdropping humanitarian aid to the people of eastern Bosnia. Six planes took part in the mission, and 36 tonnes of food and four tonnes of medicine were dropped over Srebrenica and Gorazde.

According to the information that has reached us so far via the radio ham operators, 10 containers have been found and collected in Srebrenica.

At 0620 this morning, 25 containers landed in Gorazde, radio ham operators report. According to the same source, 18,000 civilians are still in Konjevic Polje.

Muslim Forces Offer To Surrender to Serb Army

LD0803130693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1148 GMT 8 Mar 93

[Text] Belgrade, 8 Mar (TANJUG)—The commanders of Muslim units from Zepa and Cerska in eastern Bosnia have offered to surrender their arms to the Serb Republic's Army, SRNA reported today citing well-informed sources.

According to SRNA, the commander of Muslim units in Srebrenica, Naser Oric, asked the commander of all Muslim formations, Sefer Halilovic, for "a piece of advice on how to proceed".

According to SRNA, Oric has informed Halilovic about the intention of the local commanders in Zepa and Cerska to surrender their arms. According to the agency, Oric told Halilovic that he planned to do the same thing unless he receives ammunition in due time.

Vlasenica Leaders Call Morillon Tour 'Dubious'

AU0803172693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 8 Mar 93

[Text] In a statement today, the Vlasenica commune war presidency expressed doubt about the impulses that made General Morillon embark on his mission to Cerska and Konjevic Polje.

The mysterious mission by General Morillon, the statement says, either incidentally or owing to circumstances, confirmed our suspicion that a repeat of Jajce was in sight. We believe that the role of General Morillon is dubious. While we hoped that the tragedy of all in need of the protection of the Office of the UN High Commissioner for Refugees [UNHCR] would be resolved, General Morillon, in contrast with his promises that he could immediately begin humanitarian activities, actually displayed absolutely no interest in entering the ghostly settlements that had been burned, leveled, and bore visible traces of crime.

Under a confused pretext, General Morillon left Konjevic Polje to tell journalists that he found no traces of massacre. At the same time, the general was interested in how much the chetniks need to conquer Cerska and the corridor that goes along the Zvornik-Konjevic Polje-Vlasenica highway.

The Vlasenica war presidency believes that General Philippe Morillon, with his attitude and manner in performing the mission, exposed wounded, injured, and other civilians to risk by abandoning them to be the targets of chetnik projectiles, which they fired mercilessly after his departure.

The chetnik offensive is fully developed. We wonder whether the mission by General Morillon was aimed at ethnic cleansing. We are convinced that it is not part of the responsibility of the UNHCR, the statement of the war presidency of Vlasenica stresses.

UN Ambulance Convoy Blocked at Border

AU0903104793 Paris AFP in English 1034 GMT 9 Mar 93

[Report by Helene Despic-Popovic]

[Excerpt] Mali Zvornik, Yugoslavia, March 9 (AFP)—A U.N. convoy of ambulances authorized to evacuate wounded from a besieged Moslem enclave in eastern Bosnia was blocked Tuesday [9 March] at this Serbian border town on orders from Bosnian Serbs across the Drina River.

The holdup came after Moslem forces launched a multiple offensive Monday in eastern Bosnia, notably at Bjeljina, to free a corridor southwards to reach Moslems under siege at Konjevic Polje and Srebrenica, according to Bosnian Serb officials and the Belgrade-based TANJUG news agency.

The ambulance convoy, sent from Belgrade by the U.N. High Commissioner for Refugees (UNHCR), was to evacuate some 70 seriously wounded victims from Konjevic Polje, about 30 kilometers (about 18 miles) from Zvornik, the Bosnian town across the Drina from Mali Zvornik.

UNHCR representative Larry Hollingsworth told AFP it arrived here at 9:00 a.m. (0800 GMT), two hours behind schedule, but was stopped for "inexplicable reasons."

An observer for the U.N. Protection Force in Yugoslavia (UNPROFOR) Peter Halgumset said the local Bosnian Serb commander at the Zvornik barracks sent word that he had not received orders from the Bosnian Serb military strongman, General Ratko Mladic, to let the convoy through.

But an UNPROFOR spokesman in Sarajevo earlier said that Serb forces had agreed "in principle" on Monday to end their offensive against Moslem enclaves in eastern Bosnia—where U.S. military planes have airdropped food and medicine since February 28—and to allow the wounded to be evacuated from Konjevic Polje.

General Philippe Morillon, the U.N. commander in Bosnia, clinched the agreement after a meeting on Monday with Bosnian Serb officials in Pale, the Bosnian Serb stronghold in the hills near Sarajevo. Hollingsworth said new negotiations were under way Tuesday in Pale between UNHCR officials and Bosnian Serb officials.

The convoy held up here is made up of eight ambulance trucks escorted by two British armored vehicles.

A U.N. spokesman earlier said the Serbs had also agreed in principle to let U.N. forces be deployed in eastern

Bosnia. The fighting has driven thousands of Moslems from their villages, and the Moslem enclave of Cerska fell to the Serbs last week.

Many have fled to the towns of Srebrenica and Gorazde, which were the target of the latest U.S. military airdrop early Tuesday, according to the U.S. military command at the Rhein-Main base near Frankfurt.

They said six Hercules C-130s dropped 36.3 tonnes of food and 4.3 tonnes of medicine and medical supplies and returned without incident, in a bid to break the Serbian blockade that has cut off the area from months and reportedly left thousands starving.

The Moslem offensive Monday was launched from Kladanj, Zivinica, Tuzla and Kalesija, according to Serbian commander Svetoazar Andric quoted by TANJUG.

A local Serb leader said the Moslems had succeeded in pushing back Serb lines round Skelani on the Drina after an offensive from Srebrenica. [passage omitted]

UNPROFOR Procedure Blamed for Deaths at Airport

AU0803160693 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 8 Mar 93

[Text] Three people were killed by sniper fire last night while trying to cross the runway of the Sarajevo airport. Three more were wounded there the same night. According to Major (Barry Hower), the UN Protection Force [UNPROFOR] soldiers stationed at the runway continue following the same procedure. They stop people who are crossing the runway by armored personnel carriers and switch on their headlights for a short period of time for identification purposes. This is the moment that the chetnik snipers are waiting for.

Despite all this, UNPROFOR says there is no indication that this procedure could be changed.

Muslim Offensive Reported Under Way in East

LD0803144093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1317 GMT 8 Mar 93

[Excerpts] Belgrade, Sekovici, Skelani, Dobo, Bijeljina, 8 Mar (TANJUG)—Citing Serb military authorities, TANJUG's correspondents reported that fierce fighting is in progress in eastern Bosnia today.

Early this morning, Muslim forces launched a strong artillery and infantry attack from numerous directions against Serb positions, TANJUG's correspondents from Sekovici, Skelani, and Bijeljina reported.

Sefer Halilovic, commander of the Muslim formations, was the one who ordered the general Muslim offensive. [passage omitted]

Citing Serb military authorities, TANJUG's correspondent in Sekovici reported that the Serb republic of

Bosnia-Hercegovina army's Drina Corps has completely stopped the Muslim offensive after a several-hour long battle.

Svetoazar Andric, commander of the First Birac Brigade, stated that "an all-out attack by Muslim forces had been expected."

The Serb side had reliable reports about the all-out attack, and on 6 March it informed General Phillipe Morillon, UN Protection Force commander for Bosnia-Hercegovina, about it during his visit to Zvornik, representatives of the Serb republic's army said.

All of these reports were confirmed, and the attack was launched from Kladanj, Zivinice, Tuzla, and Kalesija, Andric stressed. [passage omitted]

Muslim Forces Reportedly Advance Near Srebrenica

LD0803151093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1403 GMT 8 Mar 93

[Excerpt] Skelani, 8 Mar (TANJUG)—Citing the local command of the Serb Republic's army, a TANJUG correspondent from Skelani [Serb enclave in Srebrenica municipality] reported that the fighting, which began yesterday on this battlefield, has continued today.

Muslim formations from Srebrenica are attacking with tanks and artillery along the entire Skelani frontline. The fiercest fighting has been taking place in the area of the Jezero village, situated on a hill some 10 kilometers northeast of Skelani. Jezero, which used to be the favorite picnic area for the inhabitants of Srebrenica, is currently the most important strategic hill on this part of the Drina battlefield.

The Muslim forces are attacking from the direction of the village of Kragivode, which is one of the main Muslim strongholds, according to the Serb Republic's army command in Skelani.

Muslim formations have been advancing at the Skelani battlefield in the direction of the villages of Gradina and Tokoljak, two kilometers north of Jezero. One Serb soldier has been killed and three wounded in the fighting. [passage omitted]

Army Prepares Attack on Sarajevo, Banja Luka

AU0803212293 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1400 GMT 8 Mar 93

[Interview with Ibrahim Puric, commander of the Zenica Brigade, by Dzevad Kapetanovic; place and date not given—recorded]

[Text] [Kapetanovic] Commander Puric, you are from the underground [words indistinct] at the head of the Zenica fighters two years ago. Let us forget about those days. Tell me first, what is the security situation in

Zenica with regard to your positions, deployment of your troops, and perspectives of the Bosnia-Herzegovina Army in your region?

[Puric] Regarding the security of Zenica commune and central Bosnia, that is, of the free territory that was left untouched and untarnished by the foot of the aggressor—they are safe. We are only working on linking up the refugees and those who had left the towns, here I naturally refer to Jajce and Bosnian Sava Basin [pauses] therefore, the ranks of these units are being filled and are growing too. Therefore, the Bosnia-Herzegovina Army is growing stronger every day. The threat to Zenica can, therefore, only come from long-range artillery and from the air, from the air force.

[Kapetanovic] Once you even advanced as far as Ilijas in your defense actions, which is a short distance from Sarajevo. Are you threatened from the side where the chetniks are still waging fierce fighting—from Zavidovici and Teslic? Also, are you getting ready to move toward Sarajevo again?

[Puric] We were really close. For example, our units participated in breaking through the first lines at Cerkici, which was a sort of Maginot Line that terrified all the fighters who came there. Our fighters found solutions, first how to clear the mines, and then they stormed these bunkers, which were made of concrete. It was a horrifying sight, these bunkers were [word indistinct] and [word indistinct] inside. They had electricity and everything that a normal house would have had. On one occasion we nearly reached Ilijas, but we lacked good coordination with other units. A report will be written on this which will be sent to Sarajevo. I do not know why it has not been submitted yet, but it will be done. Perhaps, somebody [word indistinct] this report so far.

Regarding other units, other areas around Zenica ranging from Vlasici, Sarici, and toward Teslic—there is no danger. Our troops are very powerful. Earlier I mentioned the refugees and all those who came to Zenica from elsewhere, that is, from Jajce and from Bosnian Sava Basin. Our ranks are filling up, and they will move against Banja Luka also.

Regarding Sarajevo, we will definitely move toward Sarajevo again, more openly, stronger, and fiercer, and I believe that the return to Sarajevo will yield great results. I came to Sarajevo, we filmed inside the city, and I think that we will be able to coordinate the next action well. They can no longer pose any obstacles to us that we cannot surmount. We shall move against Sarajevo one day, soon, naturally with strong forces. I will not say right now where we discovered the key locations, they can guess as to where we found the key locations and how we will reach Sarajevo.

[Kapetanovic] Does this at the same time mean that you are well-equipped? Also, tell me a little more about the composition of your brigade?

[Puric] We are well-equipped. We are the ones who worked on building the army in this region, ensuring that the Army is well-armed, well-dressed, and well-uniformed. The composition of the brigade is approximately the following: The majority of soldiers are Muslims. There is a percentage of Serbs who joined us when they had realized after a while that Karadzic's policy was wrong, they are now joining the ranks of the Bosnia-Herzegovina Army. Although there is a percentage of Croats in the units of the Bosnia-Herzegovina Army in this region, the Croatian Defense Council is the only one that is still creating problems for us. They are increasingly creating a national army. Naturally, this damages [word indistinct] Bosnia-Herzegovina. But I believe that they will realize, and that they have already realized that only united can we chase the aggressor out of Bosnia-Herzegovina, and only united can we liberate Bosnia-Herzegovina. We are now working to establish a joint command. With God's help, one day there will be a unified command and a unified army in Bosnia-Herzegovina.

Serbs Reportedly Increase Attacks in East

AU0803200693

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 1800 GMT on 8 March carries several reports on fighting in Bosnia-Herzegovina on 7 and 8 March.

TUZLA—Tuzla correspondent Salih Brkic reports that bombs started falling on Tuzla at 1320 GMT after a quiet morning and that the Celic area became a target of a "fierce" combined tank and infantry attack from Miroslavci, Mrtvica, "(?Pukic)", Zutarka, and Grede. Brkic advises that the "chetnik grenades" killed and injured "several" citizens and caused "great material damage" and that that attacks continue as he reports. Brkic concludes by noting that "the order issued by Sefer Halilovic, commander of the General Staff of Bosnia-Herzegovina Army, to the Second Corps in Tuzla is already being carried out"; that "the morale of the fighters is high"; and that "they are all resolute to do everything possible to help Cerska, Konjevic Polje, and Srebrenica."

BRCKO—The Brcko press center reports that "the aggressor" attempted a combined tank and infantry assault between 1200 and 1700—making "roads in the free Brcko territory" the target of "chetnik artillery"—but that the attack had "no effect."

GRADACAC—The Gradacac war presidency information center reports "relative peace" on the Gradacac battlefield in the afternoon."

SREBRENICA—The Srebrenica information service reports that "the regular Army of the so-called FRY, together with the local chetniks and mercenaries from Serbia and Russia, has been increasing its combat activities against Srebrenica, Konjevic Polje, and Cerska." The service claims that the situation is "most dramatic"

in Cerska, while "strong infantry troops have been attacking the Srebrenica defense lines since morning." The report claims the attackers are supported by "a multiple rocket launcher in Serbia" and howitzers and mortars in Jezero, adding: "The Serbian aggressor from Serbia—from Njemic and Mackov Kamen—is providing strong artillery support from a multiple rocket launcher, two tanks, and four mortars to its infantry troops that are fiercely attacking the northern line of defense in Glogova region."

DOBOJ—Doboj correspondent Velid Djindo reports that Doboj and its suburbs have been shelled twice in the last two days, adding that the town remains under attack as he reports.

Correspondent Mirudin Aldobasic later reports that while the afternoon on the Doboj battlefields was "relatively peaceful" compared to the morning, "the enemy continues provocations along the entire line of defense."

MRKOTICI—Correspondent Ramiz Brkic reports that "the chetniks" directed intense infantry fire at our fighters in Mrkotici this morning. "The fighting in this area, in the village of (?Oras) to be precise, resumed at 1500," he says, "when the chetniks started pounding our fighters in Siljato Brdo and Kiselo with a recoilless gun and an antiaircraft machine gun." Brkic concludes by saying that "the entire front at Tesanj is stable."

POW Exchange To Be Completed by End of March

*LD0803133593 Belgrade TANJUG in English
1303 GMT 8 Mar 93*

[Text] Geneva, March 8 (TANJUG)—The remaining POWs [prisoners of war] in Bosnia-Herzegovina (BiH) held by the three warring factions—Moslems, Serbs and Croats—are to be exchanged by the end of March, Director of the International Committee of the Red Cross (ICRC) for Europe Thierry Gernont said on Monday [8 March]. Representatives of the BiH Serbs, Croats and Moslems will on Tuesday be proposed the modalities for the implementation of the POWs exchange agreement which the warring factions signed in Geneva last October, Gernont added. [sentence as received]

He said the three sides are to state by March 15 whether they accepted that the POWs be exchanged under the "all for all" principle proposed by the ICRC.

Gernont said that those suspected of committing war crimes could not be exchanged and that the warring factions were to inform the ICRC about such cases. [Words indistinct] February, the ICRC said the warring parties in Bosnia-Herzegovina had so far exchanged roughly 8,000 POWs, of whom 5,534 under the ICRC's supervision.

The organization said it had supervised the release of 5,040 POWs on the Serb side, 357 POWs on the BiH Croat side and 137 on the Moslem side.

Gernont did not specify which of the three sides currently holds the largest number of POWs.

Tudjman Briefed by Bosnian Croat Delegation

*LD0803181993 Zagreb Radio Croatia Network in
Serbo-Croatian 1600 GMT 8 Mar 93*

[Text] Republic of Croatia President Franjo Tudjman has received a delegation of the Croatian Community of Herceg-Bosna, the Croatian Defense Council, and the Croatian Democratic Community from Travnik province, at their request.

The delegation, headed by President of Herceg-Bosna Mate Boban, included Pero Krizanac from Travnik, Pero Skopljak from Vitez, Jozo Sekic from Novi Travnik, Zoran Maric from Busovaca, and Dominik Sakic from Zenica. Miro Lasic, a member of the Bosnia-Herzegovina Presidency, was also present. Also present were Jure Radic, head of the Croatian president's office, Defense Minister Gojko Susak, and deputy head [as heard] Branimir Jaksic.

Members of the delegation briefed President Tudjman on the current situation and problems facing the Croat people in some municipalities in the Travnik province. It was stressed that great efforts have been directed toward ending the clashes with Muslim forces and rebuilding mutual trust. However, Croats in some municipalities live under great pressures and threats from Muslim extremists who are trying to lead the Muslims toward increased militarism, fundamentalism, and intolerance of the Croats.

There were many victims in the recent attacks by Muslim extremists near Busovaca, and many Croatian houses were destroyed or burned down. President Tudjman was shown evidence of Croats being dismissed from their posts and driven out of their homes even in other areas where Muslims are in a majority or where they are deploying military forces brought in as reinforcements, while Croats fight on most fronts against the chetniks.

On the other hand, many examples were cited of good cooperation between Croats and Muslims in (the mentioned areas) of Travnik province and throughout the Croatian Community of Herceg-Bosna in forming a system of defense and authorities, and in economic and humanitarian activities.

President Tudjman recalled everything Croatia has done so far in the defense of Bosnia-Herzegovina, stressing that the main success of Croatia's policy is that Bosnia-Herzegovina has not become Serbia's war booty. Croatia's policy of mounting resistance to the aggression has resulted in the Vance-Owen plan. The acceptance of the plan by all three sides, on which the international community is unanimously insisting, would stop the war and create a system in Bosnia-Herzegovina in which all national rights, legal safety, and the possibility of economic and social progress would be guaranteed to the Croatian nation, as well as to the other two nations, President Tudjman stressed.

He called on the Croats in Herceg-Bosna to do everything they can in order not to provoke clashes with Muslims and to find a common path for providing full security and the equal protection of everyone's rights in both Croatian and Muslim provinces, a statement from the president's office says.

RSK Officials 'Pleased' With Milosevic Meeting

*AU0903080593 Belgrade BORBA in Serbo-Croatian
3 Mar 93 p 13*

[Report by R. B.: "The President Supports the People"]

[Text] Last week, Serbian President Slobodan Milosevic met and held informal talks with the representatives of the Kordun and Banija municipalities. As BORBA unofficially puts it, when asked directly who he was supporting in the political turmoil in the republic of Serbian Krajina, the Serbian president said that he was not supporting any individual, but rather the people as a whole, those in trenches and those who were defending the Krajina.

The delegation, comprised of municipal chairmen and businessmen from Dvor na Uni, Vojnic, Petrinja, Vrgin Most, Glina, Kostajnica, and Sisak-Caprak, visited Belgrade last week and requested an "urgent meeting" with the president of Serbia. The meeting took place immediately, and according to our sources, it lasted several hours. As one participant has it, "The president received us immediately, he had time to hear us out, and he promised to help us solve the accumulated problems." Although this meeting was not publicly disclosed, we have indirectly learned what the Banija and Kordun leaders talked about with the Serbian president.

The Krajina representatives addressed several issues—the impaired functioning of the republic of Serbian Krajina, the power struggle among certain political groups, the necessity of calling a meeting of the republic of Serbian Krajina's assembly, grave economic problems, illegal trade, smuggling.... Among the answers they received from the Serbian president, along with the one already mentioned at the beginning of the text, the Krajina representatives considered Milosevic's statements that "a meeting of the republic of Serbian Krajina's assembly should be called as soon as possible, and lawlessness should be prevented thorough the firm functioning of the judiciary in the Krajina," to be the most significant.

The Krajina representatives expressed the opinion that the year which had elapsed since the beginning of the UNPROFOR [United Nations Protection Forces] mandate on this territory should have been a valuable period in which to establish the functioning of the new state, but that "this period, which is now forever behind us, has not been used." They believe that something else, harmful to the people, has happened instead—a struggle for power among certain political groups. But there were "no aberrations in the organization and establishment of the state."

The Krajina representatives also claimed that during the transformation of power [transformacija vlasti], certain services had shifted from the local level to the level of the republic. They drew President Milosevic's attention to numerous economic problems in the Banija and Kordun regions, and told him that "all economic life has come to a standstill", yet this "alarming situation in Kordun and Banija has never been put on the agenda." According to the municipal representatives, all attempts to discuss problems mutually have been ignored.

Another question that came up had to do with "what the government and the assembly have been doing, since not a single aspect of the state had been allowed to stand on its own feet" during the past, relatively peaceful (before the latest Croatian aggression on the republic of Serbian Krajina) year. The Krajina leaders also pointed out that there was grave disunity among the leadership, and many negative phenomena had occurred, which could be summed up as being "a struggle between real Serbs and communists." "We discussed where the head office of the SDK [Sluzba Društvenog Knjigovodstva—Social Accountancy Service] should be, where the bank should be, the Post Office headquarters, the customs center, the administration of the hydroelectric plants, etc., while at the same time, none of these functioned, and the ministries stretched from Benkovac to Beli Manastir," said one participant at the talks.

Furthermore, they pointed out that the payment system [platni promet] was not functioning, no oil was being supplied, the legal system was poorly organized, and the supply system in general was poorly organized, etc. The Krajina representatives stressed that they understood that Serbia, which had had many internal problems in the previous year, "did not have enough time to help." Some said that "Mr. Milosevic's and the Serbian Radical Party's victory in the last elections inspired hope that the people in the Krajina would not be abandoned." The Kordun and Banija delegation evaluated the "penetration of the information blockade in the Krajina" as being very important, because "television centers in the Krajina are not functioning the way they should." They stressed their "great trust in the command of the Krajina army", and said that the defense in Banija and Kordun was stable. Moreover, they stressed the necessity for changes in Krajina personnel and the "appointment of new people who will change the situation for the better."

Opinions were voiced that Serbia was under an obligation to help the Krajina people in these hard times, but that this should not turn into charity. The negative aspect of the party struggles was pointed out, as was the necessity to organize a government of national salvation [nacionalni spas].

The delegation of representatives from the Kordun and Banija municipalities also talked to Serbian Prime Minister Nikola Sainovic, from whom they requested, among other things, that refugee status in Serbia be revoked for all those who engage in smuggling and black-marketeering. BORBA has learned that the Krajina

representatives from the said municipalities are very pleased with the way they were received by Milosevic and Sainovic, and that they expect them to "go on lending significant help in solving political and economic problems."

Situation in Osijek Region Discussed

93BA0680A Zagreb DANAS in Serbo-Croatian
19 Feb 93 pp 9-11

[Article by Boris Komadina: "Liberalism on the Slavonian Plain"]

[Text] *We are all waiting to see what will happen. This situation is abnormal. How can you live normally when there are chetniks only 500 meters away from you, says Zdravko from Jug II.*

Josip Djafic is 65, a butcher by trade who has been retired for six years now. Every morning, if the weather is nice, he goes for a walk by the embankment along the Drava. On the first of every month, he gets 35,000 dinars from his pension. "I know that it is not much, but I manage somehow. My sons help me out too. But better to get less pension than to have war again. I spent the entire war in Osijek, and I know what it means when the shells are falling. Now things are much better. Houses are being repaired, and most of them are completed. There will be work again, and people will have a better life. We just have to get rid of that gang over there," he points with his hand toward occupied Baranja and continues: "It is not important to me which party won in Osijek; the only important thing is that Croatia is in our hearts." Josip Djafic was rich before the war, and invested all his fortune in a farm near Erdut. He has not seen it for two years now, ever since the day when the Chetniks occupied Erdut.

Like any city that has experienced the brutal calvary of war, Osijek, the wounded metropolis of Slavonia, shelters within itself numerous tragic human destinies. According to the 1991 census, Osijek Opština had 165,253 inhabitants (106,000 in the city), of which 110,934 were Croats and 33,146 Serbs. During the strongest attacks, the city was abandoned by between 65 and 70 percent of the population. The majority of them returned, but it is hard to know how many people are currently in the city. The main economic structures in Osijek were destroyed; more than a hundred enterprises were completely destroyed or damaged, among which the chemical, engineering, and textile industries suffered the most. Total damage to the economy of Osijek Opština comes to \$607 million, which is 28 percent of the total war damage in Slavonia and Baranja. This has caused a 70-percent decline in Osijek economic activity. The effects of the wartime destruction on the housing fund are catastrophic. There were 45,000 housing units in Osijek before the war; 12,000 state-owned units were destroyed, together with around the same number of private apartments. Seven hundred apartments were completely destroyed. Total housing fund damage

amounts to more than 400 million German marks. The somber war statistics must also include the systematic destruction of Osijek churches, cultural monuments, and other structures that made Osijek an exceptional city.

The source of people's frustrations is not only the fact that the city is still on the front line of the battlefield, but also the huge quantity of weapons in civilian hands, as well as the various interests of individuals who wanted to exploit the wartime confusion for their own economic, political, and other gain. All this has helped make Osijek a city of scandals, with a high crime rate. The murder of the chief of the Osijek Police Administration, Josip Reihl-Kir, on 1 July 1991, which to this day has yet to be solved, was followed by a series of murders whose perpetrators have not been uncovered. Early last year, nine citizens were killed in Osijek under strange circumstances; their bodies were later found in the Drava. Then there was the murder of the legendary defender of the Osijek community Jug II, Mate Sabic-Saban, which has also not been solved. Because of this, Osijek has been visited on many occasions by ministers of police and justice and by high-ranking officials from the Ministry of Defense. Through tightened police control and better cooperation between civilian authorities and the police, the crime rate has dropped over the past few months, and life in the city seems safe.

Zdravko, age 30, lives in Jug II, a classic workers community at the edge of the city. This is primarily housing for the biggest formerly state-owned enterprises in Osijek. The majority of the residents in this socialist-realist settlement are newcomers from Dalmatian Zagorje, Hercegovina, Bosnia, Lika, and surrounding Slavonian villages. During the war, it became known for its heroic defense. Jug II is on the front line of the battlefield in the direction of Tenja.

Victors From Strossmayerova 5

"We are all waiting to see what will happen. This situation is abnormal. How can you live normally when there are Chetniks only 500 meters away from you? I am afraid that people have gotten used to this sort of situation. Osijek, as it is now, does not offer a radiant future. I voted for the HSLs [Croatian Social-Liberal Party], but that does not mean that I believe all their promises from the preelection campaign. I am simply hoping for something better," says Zdravko, a typical young person of Osijek.

The results of the elections for the House of Zupanijas, the Assembly, and especially for City Council have fundamentally altered life in Osijek. The convincing liberal victory raised the political temperature in the city. In the City Council elections, the HSLs captured 17 seats, with nine going to the HDZ [Croatian Democratic Community], which created a new balance of power on the Osijek political scene, and thus in all of Slavonia. Although the HDZ convincingly won the elections for the Zupanija Assembly (26 out of 40 seats) and for the [Croatian] Assembly's House of Zupanijas, (the HDZ

captured two out of three seats), the liberals' victory in Osijek constitutes a new political reality and a completely different approach to problem-solving than in the past.

The headquarters of the Osijek HSLs is located in the center of the city, next to Dr. Ante Starcevic Square. There is a largish room on the ground floor of Strossmayerova 5 that is dominated by a desk and several scattered chairs. In the corner there is a cardboard box full of empty bottles, left over from the recent victory celebration. Vilim Herman and Vladimir Vucevic, members of the Executive Committee, explain that the HSLs is the only party in Osijek that pays rent for office space (100 marks a month), and that it did not even occur to them to change locations after the election victory.

"Metaphorically speaking, we started in a shanty, but unlike some people, we are going to stay in it," remarks Dr. Vilim Herman a little caustically, and then continues: "The first thing faced by the new municipal government, which the HSLs, as the winning party, will put together, is to permit the rule of law. I will not say that such attempts have not been made in the past, but conditions in the city were such that they were not a complete success. For example, we are ready to allow our police to do their job. Perhaps you will be amazed, but our police are very good. They have top-class professionals working there, and we simply want them to do their duty professionally, without any influence from politics, which was not the case previously. With regard to the economy, we would like to create an atmosphere in the city where the economy actually 'happens.' Up to now, there have been more illusions than actual happenings in economic life. We remain open to all professional people, people who wish this city well. We want to return the spirit of Osijek, we want to return its smile."

In any event, one of the city's identifying features is the relationship between the two most famous people from Osijek: Zlatko Kramaric and Branimir Glavas. Former mayor Dr. Kramaric has acquired the epithet of liberal intellectual, while contrasted to him is the "raw" warrior Glavas.

Perpetual Rivals

The "Slavonian Knight," Branimir Glavas, built up his political career as the "first man of Osijek" during a time that will certainly be the hardest in the long history of the city. He assembled all available potential, organized defense, and created a good system of logistical support, and it can be said without exaggeration that he is one of the champions of the defense of all of Slavonia. The great symbolic significance and charisma of the "brave Croatian warrior" helped Glavas to organize postwar life in Osijek, which was 60 percent destroyed. The large number of exiles and refugees, around 25,000 of them, who are well cared for but also a major burden on the "wounded" Osijek economy, and the immediate threat of war under which the city lives are the main arguments of those who regard with fear the future "rule" of, in

their opinion, the clearly inexperienced liberals. Osijek liberals wave off such arguments and respond that this is an attack by those who use the state of war to justify everything. The best solution, in the opinion of many, is cooperation between the HSLS and the HDZ, meaning Kramaric and Glavas. Who are friends, after all.

[Box, p 10]

Petar Kljajic, Vice Chairman of Osijek HDZ: First in Zupanija, Second in City

[Komadina] What is the HDZ assessment of the last elections?

[Kljajic] I assess them as very successful for the ruling party in Croatia. The HDZ captured power and achieved a significant majority in the representative bodies of all units of local self-administration, both on the opstina and city level, and on the zupanija level. Besides this, the HDZ has an absolute majority in the Assembly's House of Zupanijas, which meets all the conditions for successful implementation of the policy of the Croatian Democratic Community.

[Komadina] Still, how do you explain the HDZ defeat in Osijek?

[Kljajic] First of all, I think that in the last elections the citizens of Osijek did not vote for anyone, but rather against someone, and that someone was primarily the HDZ list and its officeholders. The war, the events of war, and the events afterward all have their own internal logic that is hard for the majority of citizens who did not spend the war in the city to understand, and even harder for them to accept. This is why their final judgment, visible in the election results, was not always in keeping with reality, but it was always authoritative, and as such very instructive for us in the HDZ.

[Komadina] How do you view the period of HDZ rule, which took place during wartime?

[Kljajic] The period of HDZ rule in Osijek (1990-93) is behind us. There will be more detailed analyses of that period, but in any event we cannot agree to arbitrary and blanket assessments about how everything in the city was negative, just as we are aware that not everything was positive either. We had no experience with governing, which had a number of detrimental consequences, while on the other hand, because of the outbreak of war and the defensive preparations, we did not complete the process of assuming power. When the situation at the front stabilized and when the city was defended, our actions in order to assume power, especially in the economy, were seen as revanchism. Indeed, we feel that the most positive result of HDZ rule in Osijek was the city's defense and the continued functioning of all parts of our government during war. But naturally, anyone who works also makes mistakes, hence the tendency to attribute all occurrences in the city, especially those relating to the function of a rule-of-law state, to the HDZ and its leaders.

[Komadina] What is your assessment of relations between the HDZ and the HSLS in Osijek?

[Kljajic] The HDZ and the HSLS in Osijek are competitors. We do not regard the HSLS as an enemy, but only as a political opponent. We do not share their world view, and we will do everything to make the HDZ option, founded on the Christian democratic orientation, acceptable to the majority of Osijek citizens.

Because of this, the HDZ and its members of the Osijek City Council will assume the honorable and upright role of constructive opposition, which will exert influence on the ruling party to make more significant shifts through a series of measures, for the general well-being of Osijek and its citizens.

[Komadina] In your opinion, how will the future city government govern?

[Kljajic] We do not have enough of the key names of HSLS people who will be members of the government to evaluate that question. Since the zupan is the holder of executive power in the zupanija, the person responsible for doing the work of state administration in the territory of the zupanija, and the HDZ has power in the Osijek-Baranja Zupanija, we want to believe that disagreements between the HDZ and the HSLS in Osijek, not only as a unit of local self-administration, but also as the capital of the zupanija, will be kept to a minimum. All in the interest of the voters.

[Box, p 11]

Zlatko Kramaric: I Will Govern With a Smile"

[Komadina] In your opinion, why did the people of Osijek give their confidence to the HSLS, or rather take it away from the HDZ?

[Kramaric] The people of Osijek decided this time to give their votes to the ones who would guarantee to them, most of all, responsible and conscientious handling of power.

[Komadina] Do you think that the transfer of power in Osijek will take place democratically?

[Kramaric] I see no reason that it should go any differently. Finally, a democratic transfer of power in the interest of all citizens of Osijek, and thus in the interest of members of the current ruling party as well. Any other conduct would only damage them. And some of my latest information indicates that they are very much aware of that fact.

[Komadina] What will be the relationship between the Osijek City Council and the Zupanija Assembly?

[Kramaric] During the preelection campaign, we insisted on the principle of cooperation as one of the most essential factors in the democratization of Croatian society. Now we will be able to prove this. We must be sincere and state openly that the idea of cooperation is

not foreign even to individual members of the HDZ (and to Glavas). Thus, even during this transition period, both of us have expressed our complete willingness to discuss all problems jointly. It could be said that I am an optimist. I hope that the future does not prove me wrong.

[Komadina] What is your view of the recent period during which Branimir Glavas "ruled," and how are relations between the two of you?

[Kramaric] My response will probably surprise your readers: Our relationship is friendly. All the conflicts that have developed were exclusively conceptual in nature. In the majority of cases it involved only nuances and the sequence of moves. Despite certain points of criticism, I have a positive view of the "rule" of Branimir Glavas. This positiveness becomes especially obvious with regard to the postwar situation in certain other cities (Slavonski Brod, Vinkovci...). But we are not people who can justify everything with a comparative

method; I think that things could have been even better if they had listened to other opinions once in a while. The price of too much confidence in certain people this time was the loss of the elections in Osijek.

[Komadina] As future mayor, how will you return the city's "smile"?

[Kramaric] First, I have never regarded governmental authority as power. On the contrary! I am inclined to demystify everything in existence, and thus whatever is assigned to the phenomenon of authority as well. My program is a program of sincerity, openness, continuous communication with the citizenry, and daily association with them and their problems. This must be practiced even when things are not going as we would like. People do not want an arrogant government. They will understand you if you try to understand them. A lot of that can be resolved with a smile. Ultimately you have to believe me, because it has already worked for me once....

Kucan Signs Paris Charter on 'New Europe'*AU0803185293 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 8 Mar 93*

[Report by Drago Flis from Paris]

[Excerpts] As of this report, Slovene President Milan Kucan has already completed the main objective of his official visit to Paris. Namely, he has signed the Paris Charter for New Europe that was signed in the French capital more than two years ago. [passage omitted]

Prior to the meeting in the Elysee Palace, Slovene President Kucan also met Jean Claude (?Pays), secretary general of the OECD, which comprises 24 countries. (?Pays) stressed to Kucan the importance of Slovenia as a sort of example for the east European countries. However, Slovenia will not be able to join this organization immediately as 40 other countries are already waiting to become members. Slovenia will, therefore, have to wait a little in light of this.

New Government Officials Appointed*93BA0653D Ljubljana DELO in Slovene 17 Feb 93 p 2*

[Article by Marko Jakopc: "Did the Ministers Choose Secretaries Only on the Basis of Party Membership?"]

[Text] *So far the government is not fulfilling the tacit agreement that the minister and state secretary are to be from different parties; it is not possible to speak of a reduction in the number of high officials at this level.*

Ljubljana, 16 Feb—So far the government has already appointed several state secretaries in its ministries, and at least unofficially, the candidates for the vacant positions are known. In view of the party membership of the state secretaries that have been appointed, one can say that so far the ministers and the government are not fulfilling a sort of tacit agreement that the minister and the state secretary are to be from different parties, and furthermore, some of the new secretaries are former deputy ministers, so one also cannot speak of the promised reduction in the number of government officials, at least at this level.

At the Ministry of Economic Relations and Development, which is headed by Dr. Davorin Kracun (LDS [Liberal Democratic Party]), Davor Valentincic (LDS) was appointed state secretary for trade, Anton Rop (LDS) state secretary for privatization, and Vojka Ravbar (no party) state secretary for foreign economic relations. At the Ministry of Internal Affairs, which is headed by Ivo Bizjak (SKD [Slovene Christian Democrats]), Bogo Brvar (SKD) became state secretary for the police, and Andrej Ster (NDS [National Democratic Party]) secretary for internal administration. At the Ministry of Transportation and Communications, which is headed by Igor Umek (SKD), Novo Mesto Mayor Marjan Dvornik became state secretary for roads. At the Finance Ministry, under the leadership of Dr. Mitja

Gaspari (LDS), Tomaz Kosir was selected as state secretary for public spending. At the Ministry of Education and Sports, which is headed by Dr. Slavko Gaber (LDS), Terezija Valencic became state secretary for secondary education, and Dr. Pavle Zgaga state secretary for higher education. At the Justice Ministry, which is headed by Miha Kozinc (LDS), Joze Tratnik assumed the role of state secretary.

It is quite clear that the ministers especially chose as their state secretaries people from the ranks of their own parties, and at most non-party members. It is true that these are mostly people who have already dealt previously with the matters that they are now to head as state secretaries. The government's secretary general, Mirko Bandelj, told us that the ministers' hands were not tied at all in proposing candidates. He emphasized that the candidates were primarily a "result" of coordination among individual ministries, and finally, also among the ruling parties. We have also learned that the government is supposed to appoint several more state secretaries by the end of this week, since the proposed candidates are mostly already known.

Thus, the candidate for state secretary in the Ministry of Culture, which is headed by Sergij Pelhan (ZL [United List]), is Joze Osterman (ZL). In the Ministry of Labor, Family, and Social Affairs, under the leadership of Jozica Puhar (ZL), former Minister of Veterans and Disabled Veterans Anka Osterman (ZL) is to become state secretary for social welfare and the family, Natasa Belopavlovic secretary for labor, and former director of Ljubljana's Snaga Branko Omerzu secretary for veterans. In the Ministry of Economic Activities, which is headed by Dr. Maks Tajnikar (ZL), Dr. Ivo Banic, director of the Institute for Marketing, Economics, and Organization is to become state secretary for industry; Boris Sovic (ZL), president of the Maribor assembly, is to become state secretary for energy; and Dr. Janez Sirse, the previous minister of tourism, is to become the secretary for that area. In Gaspari's Ministry of Finance, Stanko Debeljak (ZL) is to become state secretary for the tax system. In the Ministry of Health, under the leadership of Dr. Bozidar Voljc (Greens), the state secretary is to be Dunja Piskur-Kosmac, director of the University Institute for Health and Social Security. Minister of Foreign Affairs Lojze Peterle has also proposed his own candidates. Long-standing diplomat Ignac Golob is a candidate for state secretary for foreign affairs, and former Minister of Education Dr. Peter Vencelj is a candidate for state secretary for Slovenes around the world.

In accordance with the Law on the Government, the state secretary's role is to be fundamentally different from the function of the former deputy ministers. It is supposed to represent a definitely professional reinforcement for "broadly defined areas" in the ministries, i.e., it should by no means have definite political consequences. In view of the parties from which the state secretaries thus appointed have been coming, as well as the known candidates for those positions, one can note

that the ministers are also attributing considerable political significance to the institution of state secretary as well. It is quite possible that the ministers are thus trying to create some sort of political peace, or in other words, they are already trying to eliminate in advance interparty oversight of their own work and the work of the ministry that they head. Of course, they will not be able to avoid oversight completely, since they are responsible to the government and parliament, but they obviously want to avoid "plotting" in their own houses.

Bank Withdrawal Restrictions Examined

93BA0664F Ljubljana DELO in Slovene 20 Feb 93 p 3

[Article by J.M.: "It Is Only Possible To Withdraw Up to 2,000 German Marks at One Time From the Ljubljana Bank"]

[Text] *Citizens have to announce withdrawals of larger amounts several days in advance; it is even necessary to wait for 28 days for amounts from 50,000 to 100,000 German marks [DM]; no restrictions at SKB Bank and Austria Bank.*

Ljubljana, 19 Feb—At several banks, citizens cannot withdraw large amounts of foreign exchange at one time from their foreign exchange passbooks, or have to announce the withdrawal several days in advance. Since these cases obviously do not involve "frozen" foreign exchange, but rather more recent deposits, we inquired at several banks about what was happening with the withdrawal of citizens' "unfrozen" foreign exchange funds.

We were told at the Ljubljana Bank stock company's section for business with citizens that its depositors had to announce withdrawals of amounts higher than DM2,000 ahead of time. They thus have to wait six days for amounts from DM2,000 to DM10,000; the waiting period for withdrawals of amounts from DM10,000 to DM50,000 is 12 days; for amounts from DM50,000 to DM100,000 it is necessary to wait 15 days; and for the payment of larger amounts, even 28 days.

At Nova Banka-CA, the highest amount that is paid to depositors without prior notification is DM5,000, and depositors have to announce withdrawals of larger amounts from foreign exchange accounts or foreign exchange savings passbooks the day before; they can also do so by telephone.

The people at Abanka, however, say that their depositors have to announce withdrawals of amounts higher than DM50,000 the day before, whereas they can be paid lower amounts immediately, if they come in the morning. If they want to withdraw foreign exchange in the afternoon or on Saturday mornings, however—i.e., when the vault is closed—they are only paid as much money as there is in the cash register at that time.

SKB Bank in Ljubljana claims that it does not have any restrictions on citizens' withdrawals from their foreign

exchange accounts or passbooks. With respect to withdrawals of larger amounts—for example, higher than DM100,000—it can otherwise happen that there may not be enough money in the cash register at the customer windows. In such cases, the customers are asked to wait for an hour or two for the money to be brought from other branches or the vault, SKB claims.

Austria Bank also says that there can at most be a complication there if a customer wants to withdraw a large amount, for example, DM1 million. They deposits have to announce such an amount the day before.

The Koper General Bank's depositors can withdraw up to DM5,000 from their foreign exchange accounts or passbooks without prior notification; they have to wait four days for amounts from DM5,000 to DM10,000, six days for DM10,000 to DM50,000, and 10 days for higher amounts.

At the Maribor Credit Bank, depositors can withdraw up to DM2,000 from their passbooks or accounts without prior notification. They have to announce all larger withdrawals three days in advance.

In short, it seems that a high amount is a very relative concept, since at different banks it is extended to amounts from DM2,000 to DM100,000 or even DM1 million.

Survey of Strikes in 1992 Published

93BA0613F Ljubljana DNEVNIK in Slovene
9 Feb 93 p 3

[Article by Alenka Brezovnik: "Strikes Struck Enterprises"]

[Text] *Last year's wave of strikes is continuing, mostly through the Free Trade Unions; with a social partnership and the right to joint decision-making, there would be fewer of them.*

Ljubljana, 9 Feb—No one has any summary of the number, extent, lost working hours, and damage caused by the numerous strikes in Slovenia, often not even the representative trade unions themselves, since the strikes take place both in enterprises and outside of them. Records are mostly kept by the individual trade unions just for themselves, but an annual and January summary was just prepared by the Federation of Free Trade Unions of Slovenia [ZSSS], which thinks that it organized about 80 percent of all last year's strikes in the country.

"The strikes did not exactly demonstrate the power of the working class, perhaps even the opposite, but it is true that the worker's voice is heard better through a strike. It was not a question of extortion that would go beyond the level of workers' rights and benefits. On the contrary, the strikes involved completely reasonable demands by the workers, who furthermore remained patient and reasonable. Strikes took place where workers

could not stand it anymore, where they were fed up with promises and seized by despair, since they frequently lost enterprises, wages, and jobs, and overnight became some sort of surplus and a social problem. The capital that they created themselves has been transferred into other hands and to various destinations, and consequently one should not be surprised at the number of strikes and announcements of them," thought Rajko Lesjak, secretary of the ZSSS council, who added that some people unjustifiably consider strikes to be an attempt to overthrow democracy. The authorities and employers, instead of trying to solve the acute problems, are already "threatening" in advance that they will prosecute the strikers in one way or another.

Strikes certainly had the most financial impact upon the enterprise, and as a rule the workers succeeded in them at least for the "short term." This particularly applies to industrial sectors. Workers certainly do not want strikes, especially not the hunger strikes that have increased recently. "Hunger strikes cannot reflect a socially just state in which prosperity prevails," Lesjak warned. "No one should be indifferent to the fact that union stewards have to 'extort' workers' rights through hunger strikes. We are all obliged to think about the despair of these people, who decide on such strikes to the detriment of their health and lives. Won't our politicians abroad feel awkward about the question of whether union stewards here are really striking for their own jobs, for work and minimum wages?" Rajko Lesjak wondered. If workers' difficulties and problems were settled through a social partnership and a greater degree of joint decision-making by workers in enterprises, a more substantial number of strikes could be avoided.

[Box, p 3]

Forty-five Directors Replaced

Not counting last year's general strike (18 March), the Free Trade Unions, with their strike committees and stewards, organized 219 strikes, in which 90,000 workers participated. The most strikes were in the Drava basin (48), in Ljubljana and the surrounding area (33), in Celje, and in the Sava basin (23 each). In the metallurgical and electrical industries there were 106 strikes, in the textile and leather industries 35, in the processing industry 25, and in construction 19. The longest strikes were at ADRH Karavan (24 days), the Celje Emu (13), and at Keralu Lendava (12 days). Ninety percent of the strikes were because of a one- or two-month delay in paying wages, the nonpayment of reimbursements, the nonobservance of collective contracts, demands for wage increases, and demands for issuing documents for unpaid salaries. Because of workers' demands, directors were replaced at 45 enterprises. In January, the ZSSS organized eight strikes, in which 2,500 workers participated.

New Role for Intelligence Service

93BA0653E Ljubljana DELO in Slovene 17 Feb 93 p 2

[Article by Igor Guzelj: "The Ministry of Internal Affairs Will Still Indirectly Maintain Oversight Over the VIS's Work"]

[Text] *In the government's commission for monitoring and guiding the work of the VIS [Security-Information Service], only Miha Kozinc is in the right place; a hearing several hours long also affected Deputy Director Roman Jeglic; will the deputies meddle with the Slovene Mossad?*

Ljubljana, 16 Feb—After the Slovene Government appointed Andrej Ster and Bogo Brvar to positions as state secretaries in the Ministry of Internal Affairs last week, speculations revived again as to whether the personnel changes in that ministry were really over. Many people monitoring the events claim, in fact, that time is also running out for the VIS's director, Dr. Miha Brejc. To be sure, now the VIS is not under the jurisdiction of Bizjak's Ministry of Internal Affairs, since it is directly subordinate to the executive authority, but Brejc is supposedly among those of the 400 members of the civilian intelligence organization who do not like this change at all.

We are not familiar with the entire background, of course, but one of the reasons for the disagreements should probably be sought in the clearer delineation of tasks among the detective service and the VIS, certainly to the detriment of the latter. As one could conclude from individual statements in Brejc's public appearances to date, the VIS personnel also considered monitoring mafia incidents and forms of violence previously unknown in Slovenia to be part of their jurisdiction, but in the opinion of independent experts, that is an area for the detectives—at least as long as the activities of underground groups do not threaten the constitutional system and state interests. An overlap could be unproductive and (judging by certain foreign experiences) even dangerous. At the same time, it is obvious that certain disturbing phenomena in Slovene post-socialist reality are poorly "covered": the illegal influx of money as a consequence of wild or barbarous privatization in the socialized sector is certainly a nationwide problem, regarding which there is probably not enough information available for a successful review of the procedures and for determining the individual responsibility of the perpetrators of scandalous machinations.

In sort, the VIS's removal from the Ministry of Internal Affairs is supposed to help the service to increase its intelligence activity, which is obviously the basic concern of similar organizations everywhere in the world. It is supposed to be first of all, if not exclusively, a service for the executive authority, as an executor of the Republic of Slovenia's current policy and a guardian of the basic state interests, which parliament is responsible for defining. That is how one could understand the provision in the draft law on the government that the

interior minister could not be a member of the government commission for monitoring and guiding the VIS's work. It is not in the final text of the law, however, and Bizjak's presence in the three-member team is a fact that demonstrates at least partial continuity from the previous situation: in the future as well, the Ministry of Internal Affairs will indirectly maintain oversight over the activities of its former service. The inconsistency cries out to the heavens, since by the logic of things, Prime Minister Janez Drnovsek should be sitting in the above-mentioned government body instead of Ivan Bizjak, and Foreign Minister Lojze Peterle instead of Dr. Rado Bohinc. Only Miha Kozinc is thus the "right man in the right place."

Of course, our speculative consideration is merely hinting at a lack of coordination within the coalition regarding ideas of what the VIS's mission is. In view of the notorious Zlobec scandal, it is a more interesting question for people whether the source of Brejc's dissatisfaction should not be sought elsewhere. In the final analysis, the government will only give the intelligence service guidelines about the direction it is supposed to be active in, and the latter is obligated to obtain permission from judicial bodies before using unconventional means and methods of gathering information. The court can thus be the factor that will seriously restrict the VIS's effectiveness and operational capability, since the tense times of Slovenia's liberation, when the high probability of aggression justified a loose formal coverage of extraordinary methods and techniques—for instance, wiretapping foreign diplomatic representations—have passed. The court, for example, cannot approve illegal violations of the territorial inviolability of other states, for instance embassies and consulates, much less the secret installation of microphones in their offices. It is no different with devices already installed previously, if by some unlikely chance they should remain in place (the former State Security Service's legacy in the former Mackova villa has certainly been removed from the Italian Embassy).

VIS operatives' maneuvering room is thus being reduced, willy-nilly. It is also being reduced if they have obtained the right to intercept individuals' telephone conversations and written mail on the basis of sufficiently justified applications, since the legislation orders strict time limits. At the same time, it requires ongoing analysis of the collected information and the separation of everything that is not directly tied to the basic purpose and that could be misused. The service is only supposed to provide the customer with selected extracts from the materials, and the tapes are supposed to be turned over to the competent court for safekeeping—even though this has not been done in the past.

At any rate, the rules of conduct in a law-governed state are known, and doubts are only raised by the dilemma of whether they are observed by those involved and to what extent. As our sources claim, during the pre-election period the VIS almost painfully drove from its ranks any sort of trace of political or party membership, which,

according to its internal relations, is among the worst professional sins. Doubts and suspicions are admittedly nothing new in institutions of its type, but the rumors that the several-hours-long "examination of conscience" also affected Deputy Director Roman Jeglic perhaps indicate mutual frictions over opinions, or of a professional and (or) careerist nature. Do even high officials in the intelligence service really want to know who has spoken with which high official about what? Jeglic was among the broader group of candidates for state secretary in the Ministry of Internal Affairs, and Ivan Bizjak allegedly invited him for a talk. Did he fail the test because of internal reasons?

In any case, with the more significant institutional incompleteness, clarifications of internal frictions are probably a less important matter. So that citizens can sleep more quietly, there should be an immediate agreement on the future role (if there is one) of the successor to Bekes's commission, which oversaw the VIS's work in the old Assembly. Under the assumption that Herman Rigelnik will not change absolutely all the unwritten rules of the political game, it should be chaired by one of the deputies from the ranks of the right-wing opposition. Hints are already appearing all over the place, unpleasant to many people, about the necessity of expanding its supervisory powers to the Security Department of the Ministry of Defense [VOMO], which is sooner or later the mystical "dog without a collar or chain."

How sensitive a matter the military spy service and its haze-shrouded activity are is indirectly demonstrated by the striking reactions of the leadership of Slovene Territorial Defense whenever an unauthorized person criticized it. Among the last ones to try this were "unauthorized" professors from the defense studies department at the Ljubljana Social Sciences School, where former and present Defense Minister Janez Jansa studied, and where Jansa's untried replacement, Ambassador to Switzerland Dr. Anton Bebler, also taught until recently. In a discussion upon the publication of the collection "Crossroads of National Security," chairman Dr. Anton Grizold and others present warned that the VOMO was not exposed to any sort of critical mirror, which is necessary in a democratic society. They met with a harsh rejection, spiced with personal attacks.

Perhaps individual deputies in the State Assembly, when they cease to be burdened with the distribution in 21 parliamentary commissions, will have more luck. In fact, one can hope that at least they are competent enough to meddle in the Slovene Mossad.

[Box, p 2]

On Thursday, 18 February, the Commission for Elections, Appointments, and Administrative Affairs (KVIAZ), is to provide the public with a clearer picture of the parliamentary working body that will watch over the actions of Slovene intelligence organizations. Its task, specifically, is to propose the number of members and

select Bekes's successor, following the suggestions of the State Assembly's temporary group headed by Miran Potrč. It is already known that in view of the wishes of the deputies' groups, it is to consist of 16 deputies, and, as we expected, the position of chairman is to be entrusted to someone from the opposition camp, in all likelihood the SLS [Slovene People's Party], which is the only one that has expressed explicit interest in it. To the best of our knowledge so far, it will not be the largest body, but it will certainly be the one with the longest name, since they actually intend to turn it into a universal supervisor. Its official name thus reads: Commission for Oversight Over the Legality of the Work of the Security Body in the Ministry Responsible for Defense Affairs, and the Military Police in the Slovene Republic's Territorial Defense and Other Services. Of course, the "other services," about which very little has been said and written so far, catch the eye the most. The decree on the tasks and establishment of the commission should explain somewhat more precisely which (and whose) secret institutions the proposer has in mind, but we cannot expect too much talkativeness. Even the possibility that the decree will be a confidential one cannot be ruled out.

Interview With Minister of Agriculture

93BA0653C Ljubljana DNEVNIK in Slovene 17 Feb 93
p 3

[Interview with Agriculture Minister Jozе Osterc by Roza Erman; place and date not given: "Agriculture Facing Catastrophe"]

[Text] Will the government still believe the evidence of agriculture's impossible position before the announced strike?

Ljubljana, 17 Feb—Agriculture Minister Dr. Jozе Osterc has already sat down at the minister's desk for the second time. He himself says that the times were not favorable for agriculture while he was a minister in Peterle's government, either, and even less so today. Actually, today the position of farmers, even the best ones, is catastrophic, emphasizes the new minister of agriculture and forestry, Dr. Jozе Osterc, who nevertheless remains an optimist and believes that things will soon take a turn for the better. He says that as minister, he will make a special effort for this.

[Osterc] Last May, we were still coordinating the prices of important agricultural products somewhat better, but since then the situation has fundamentally deteriorated. A Slovene farmer obtains 70 percent of his income from the sale of livestock and milk, and consequently the prices of these two "crops" are by far the most sensitive. It is precisely with respect to milk and meat that the ratios between costs and the purchase prices have seriously deteriorated from last May until today. Thus, today a farmer is no longer getting paid for his work, he

draws money for paying social taxes from what he earned previously, and he can no longer renew machinery and other equipment...."

Even the Best Farmers Are in a Catastrophic Position

The latest analysis indicates that at today's prices, not even average European productivity is enough to cover net wages, neither for milk nor for beef. That means that a farmer is now essentially in a worse position than a worker who is registered with an employment institute and has guaranteed social security. The farmers who can manage average European productivity are only 1 percent here, and even those are not obtaining payment for their work. The Slovene Agricultural Institute's calculations are also not made for the average farmer, but rather for farmers with above-average productivity, who produce more than 30,000 liters of milk per year. Only 2.4 percent of the farmers in Slovenia are like that, which means that the position of even the best ones is catastrophic. Furthermore, while the prices of agricultural crops have not changed, the prices of raw materials, machines, pesticides, etc., have risen normally.

If this situation continues, production—not only livestock breeding, but also agriculture—will collapse. A farmer obtains 70 percent of his earnings from cattle-raising, and without that income, he will not be able to buy resources for crop production. We should not forget that cattle-raising is only the processing of what we raise in the fields....

Agriculture Is Bearing Too Much of the Burden of Stabilization

[Erman] Where do you see a way out of the crisis? Do you expect that the government will adopt the necessary measures quickly enough? We know, in fact, that they were already proposed in vain in the previous ministry, that the government (or the businessmen making the decisions in it) was deaf to agriculture, and that the farmers' representatives are consequently already announcing a farmers' strike....

[Osterc] It is true that the previous ministry had already prepared an analysis of the situation and proposed measures. We have supplemented and expanded the analysis, and I presented it to Minister of Economic Relations and Development Dr. Davorin Kracun. We have established a joint commission that is preparing a proposal for changing purchase prices and protecting domestic production of the most important crops against import dumping. The proposal is a temporary one, and a systemic solution will be brought by the law on transfers....

It is also true, however, that even earlier, and today as well, the government has not been aware enough of the importance of agriculture. To be sure, I am aware that agriculture also has to contribute as much as it can to stabilizing the economy, which the government has set as its goal, but I am convinced that so far the tax on agriculture has been higher than for other economic

sectors, and consequently the Ministry of Agriculture will attempt to prove that it will be extremely harmful to the national economy if this sector suffers too much damage because of unequally distributed burdens. That would also prevent the development of several other sectors that are closely linked to agriculture. Those who are not familiar with agricultural problems are not aware enough of this. About a quarter of the jobs in the economy are associated with agricultural production (regardless of the proportion of the population, in developed countries as well). Destroying such an economic sector through ill-considered measures is harmful not only because we are destroying the production of strategic amounts of food and thereby becoming vulnerable, but also because we are thus destroying a large part of the rest of the economy. Those who think that there are still reserves in agriculture are not aware of this.

That is why we in the ministry will try to portray objectively the impossible situation in agriculture, point out the consequences of an inappropriate price policy, and achieve price corrections and protection against imports as soon as possible. I firmly hope that it will be quite soon and that it will also help those who are preparing the strike to change their intentions. Finally, it seems to me to be unfair toward the farming class if we treat it differently from other classes.

We Cannot All Be Familiar With Everything

[Erman] The Ministry of Agriculture does not set prices, but rather only proposes solutions. Do you think that in the present government, with a smaller number of ministers and also smaller jurisdictions, it will be possible to push for agriculture successfully? In your opinion, where should the food-processing industry fall, since "food" has been crossed out of the Agriculture Ministry's name?

[Osterc] There is still no precise overview of the new government's activity, and it is still too early to talk about jurisdictions. With respect to the food-processing industry, which is part of the agriculture ministry everywhere in the world, Minister Tajnikar and I have successfully agreed that that should also be the case here. I personally think that it would be very wrong if individual ministries, including ours, were to lose too much independence. We simply cannot all be familiar with everything, and it is also necessary to have trust. The laws of agriculture, from technological to economic ones, are unique, and it is hard for anyone who has not dealt with them for some time to understand them. I expect that my fellow ministers will understand that some of our proposals and requests are justified, especially if we can support them with the development in other countries, since in the final analysis we are also wrote in an addendum to the coalition agreement that we would conduct the kind of agricultural policy conducted in more developed Central European countries, but just because of the more difficult economic situation, we will need more time for this.

An Agricultural Strategy Even Before Summer?

[Erman] In your area there are several documents and laws that would be urgently needed, but their adoption is being delayed. What do you think—when we will finally formulate a strategy for agriculture? What do you think about the passage of the law on the fund of agricultural land and forests, and the law on forests?

[Osterc] We started to plan the strategy in the 1990's, and in it we already emphasized a view different from the policy promoted at that time. We presented it in rough form in 1991 and appointed a commission, and Minister Protner completed it along the same lines. With it, we must clearly outline the goals of agricultural policy, so that every new minister will not wonder what he is supposed to do; we have to bring it before parliament, and I strongly hope that this would be even before summer....

Since we have not passed the law on the fund of agricultural land and forests, all sorts of things have come to a stop in implementing the privatization legislation already passed. The municipalities' desires to hold onto municipal land are not new. There is a possibility that they will get that land to manage, but institutionally everything has to be resolved in the same way. I hope that the law will be passed soon, and likewise the law on forests, since now even the people who sometimes blocked their passage have realized that harm is occurring because of the delay. Even while I was a minister before I advocated a moratorium on logging on the land with disputed ownership on the border with Croatia at Sneznik, and I am glad that the present new proposal for a moratorium has prevailed.

[Box, p 3]

[Erman] What do you think about resolving difficulties in the way adopted by the farmers' representatives in the Cooperative Federation, the Peasants' Party, and the Farmers' Movement? How will you cooperate with them?

[Osterc] I hope that we will achieve cooperation on the Ministry's proposals that will be for the good of the farmers. In the long run, it is not possible to resolve the difficulties by illegal means and by not recognizing that others also own a bit of the truth. We have to decide on a legal course, acknowledge that the partner in the talks also knows something, and find a common solution. I hope that since 1990 we have all nevertheless learned some things and that we will succeed in achieving cooperation at least on the most important points.

Property Rights of Foreigners Debated

93BA0653G Ljubljana DELO in Slovene 16 Feb 93 p 2

[Article by Alenka Leskovic: "Reciprocity Is a Condition for Acquiring Property"]

[Text] *The establishment of an independent state closed all opportunities for foreigners to acquire real estate; the law on foreigners' real rights is going into debate.*

Ljubljana, 16 Feb—With the establishment of the Slovene state, all opportunities to acquire real estate were closed for foreigners. The only exception is inheritance, but under the condition of real reciprocity, i.e., that Slovene citizens can also inherit land, buildings, and other facilities in the country from which the foreign citizens come as heirs. How will foreigners be able to buy, build, or lease real estate in Slovenia in the future?

An answer to this question is given by the law on foreigners' real rights, which was already announced by the Constitution. Specifically, it prescribes that the conditions for their acquisition of property rights in real estate will be determined by law. It is particularly emphasized that foreigners, except in the case of inheritance, cannot become the owners of land. The State Assembly is expected to discuss the draft of this law in March, and the members of the State Council will already talk about it this week.

The law announces that foreigners will be able to obtain real estate in Slovenia through inheritance, on the basis of a legal transaction, or by a decree from a state body. The construction of facilities will also be possible. Upon the division of joint property that has arisen during a legal union between a foreign citizen and a Slovene citizen, foreigners will likewise be able to acquire property rights in a building, another facility, or equipment. The condition for all possible methods of acquiring real estate is the kind of real reciprocity that now applies to inheritance. In addition to foreign citizens as physical persons, the law also classifies as foreigners foreign legal persons and alternatively even domestic legal persons, in which foreigners have a majority ownership or management share.

The regime that is to apply to foreigners in Slovenia is modeled after the Swiss one, although it is even somewhat stricter. Without a special permit, no foreign citizen or foreign legal person will be able to buy or build facilities in Slovenia. Special permits will also be necessary if foreigners obtain long-term leases on apartments and residential buildings, as well as office spaces. In areas that are less than 10 km from the border, foreigners would not be able to become the owners of commercial and residential facilities. The government could also specify further restrictions for individual areas. The law, as one option, already mentions that this prohibition could also apply to a 10-km zone from the seacoast.

The construction and purchase of commercial and residential buildings and spaces will depend for foreigners upon the conduct of permitted business here. Individuals with foreign citizenship will be able to become owners of apartments and houses only if they have permanent residence in Slovenia. The government will determine for each year separately how many purchase permits it will even be possible to issue. Furthermore,

foreigners' property rights will be limited to one apartment up to 250 square meters in size, or one residential house. On land on which facilities are present or have yet to be built, they will only be able to acquire a right of use. The records on all this will be kept by the ministry responsible for general administration. The public legal defender's office will also watch over the sale of real estate to foreigners.

Two years after ceasing to conduct business in Slovenia, foreigners will have to sell the real estate, since otherwise the state will expropriate them and pay them compensation. The law furthermore mentions that the state will have prior purchase rights.

The law is to give several more possibilities for acquiring real estate to Slovenes who do not have Slovene citizenship, but they will have to provide special proof of their Slovene origin. As customary in the world, all these restrictions will not apply to foreign diplomatic and consular representations and international organizations for the conduct of their business with the permission of the Ministry of Foreign Affairs....

New Intelligence Service Director Appointed

93BA0664E Ljubljana DELO in Slovene 20 Feb 93 p 1

[Article by J. M.: "New State Secretaries"]

[Text] Ljubljana, 19 Feb—At today's meeting, the government appointed the head of the Security-Information Service [VIS]. It is M.A. Janez Sirse, who assumed his duties immediately. Prime Minister Janez Drnovsek also directed that the government commission that oversees the VIS's work conduct a review of that service's method of operation to date, and report on it to the government. As Minister of Justice Miha Kozinc said in a press conference after the government's meeting, it will also ensure consistent observance of legal norms in the VIS's activity, and prevent its misuse.

At today's meeting, the government also appointed several state secretaries and directors of government services. Stanko Debeljak became a state secretary in the Ministry of Finance, Dr. Ivo Banic is the new state secretary for industrial projects in the Ministry of Economic Activities, Boris Sovic was appointed state secretary for energy in the Ministry of Economic Activities, Franci Znidarsic and Albin Gutman were appointed state secretaries in the Ministry of Defense, Dr. Peter Vencelj was appointed a state secretary for Slovenes throughout the world and ethnic minorities in Slovenia in the Foreign Ministry, Ignac Golob was appointed a state secretary in the Foreign Ministry, Natasa Belopavlovic was appointed a state secretary in the Ministry of Labor, Janko S. Stusek was appointed a state secretary in the Ministry of Labor, Family, and Social Affairs, Ana Osterman was appointed a state secretary in the Ministry of Labor, Ivan Obal was appointed a state secretary for agriculture in the Ministry of Agriculture and Forestry, Joze Osterman was appointed a state secretary in the Ministry of Culture, and Dr. Dunja Piskur-Kosmac was

appointed a state secretary in the Ministry of Health. The government appointed Mile Setinc as director of the Slovene Republic Information Office.

First Agreement With Russia Signed

93BA0664C Ljubljana SLOVENE in Slovene
19 Feb 93 p 1

[Article by Marjeta Simunic: "Expansion of Relations Between the Sovereign States"]

[Text] Ljubljana—A delegation from the Russian Federation headed by Vladimir Nikolayevich Rabotyazev, deputy minister of Foreign Economic Relations, is in Slovenia for a five-day visit.

Yesterday it signed the first agreement with our state's representatives on economic and trade cooperation, and a protocol on establishing an intergovernmental Russian-Slovene commission for trade, economic, scientific, and technical cooperation. The joint commission—it

will meet alternately in Slovenia and Russia—will eliminate possible obstacles in relations between the two states. The Russian delegation met with Vojka Ravbar, a state secretary in the Ministry of Economic Relations and Development, and the ministers of economic relations and development, foreign affairs, and science and technology. "The signing that we have just achieved means a substantive expansion of cooperation between our states from the time when neither of them was sovereign yet," Vojka Ravbar said. In a brief press conference, Deputy Minister of Foreign Economic Relations Rabotyazev said that the delegations also discussed issues that pertain to the past periods. "Today's signing of the agreement is only the first step in our mutual relations, and now official talks will also begin on the development of bilateral economic relations, the protection of investments and development projects," the head of the Russian delegation told reporters. Talks with representatives of the Chamber of Commerce and enterprises interested in cooperation with the Russian Federation are planned for today.

Federal**Owner of Largest Private Bank To Emigrate***AU0803192393 Paris AFP in English 1843 GMT
8 Mar 93*

[Text] Belgrade, March 8 (AFP)—The owner of Yugoslavia's largest private bank said Monday [8 March] he is to leave the republic, accusing its leaders of abandoning it to criminal "mafias," the Belgrade independent radio station Studio B said.

Jezdimir Vasiljevic, owner of the Jugoskandik bank, made the announcement in the Hungarian capital Budapest, accusing Yugoslav authorities of having "abandoned the country to mafias and racketeers," the radio said.

Vasiljevic said he had received death threats from mafias in the pay of the government. He said he was left with no choice but to leave the country, and said he was moving to Israel, the radio's correspondent reported.

The Jugoskandik bank would continue to function, under a new head appointed by Vasiljevic, the radio said. But the bank's branch in Belgrade was closed Monday, and would remain so Tuesday, the radio report said.

A spokesman for the bank in Belgrade said the bank was closed Monday to mark International Women's Day, and said it would remain closed Tuesday due to Serb opposition demonstrations.

No opposition demonstrations were reported to be scheduled to take place Tuesday.

Bank Depositors Panic*LD0903124293 Belgrade TANJUG in English
1216 GMT 9 Mar 93*

[Text] Belgrade, March 9 (TANJUG)—Following reports that Jezdimir Vasiljevic, owner of the Jugoskandik firm, left the Federal Republic of Yugoslavia on Monday [8 March], the siege of most Jugoskandik Bank branches began at midnight last night. Over 500,000 people hold an account in his bank.

Vasiljevic had announced that Jugoskandik Bank would be closed on Monday and Tuesday. Twenty provincial branches were open on Tuesday morning because of public pressure.

On Tuesday, all Yugoslav media carried Vasiljevic's sensational statement saying he was leaving the country because of "state racket," for which he accused the leadership of the Federal Republic of Yugoslavia and especially the Montenegrin leadership.

At a press conference in Budapest on Monday, Vasiljevic said depositors had no cause to worry.

"I left 219 kilos of gold coins or the equivalent of 8,000,000 DM [German marks] in the bank vaults. The bank branches have 7,000,000 - 8,000,000 DM money on savings accounts in circulation. There is also the money invested in business and oil," said Vasiljevic in Budapest.

In a statement to TANJUG, Vasiljevic said he was going to Israel on Tuesday, with regard to confiscating ships belonging to Jugooceanija, a Montenegrin firm based in Kotor. In this way he would compensate the value of oil which had been confiscated by the Montenegrin government.

Vasiljevic said the Montenegrin government had confiscated 6,300 tons of oil in Podgorica and the port of Bar, as a result of which "Jugoskandik lost 67,000,000 DM."

Vasiljevic said the move came after differences with the Montenegrin government over the island of Sveti Stefan, which he had leased in 1992. Vasiljevic claims that the authorities had forced him to turn this exclusive resort back to the state and pay 1,000,000 DM in damages, even though the government had received 9,000,000 DM and 1,000,000 dollars as down payment.

The National Bank of Yugoslavia refused to register Jugoskandik as a bank in Belgrade. The firm's status and name were obtained through Privatna Privreda Bank DD of Podgorica, where Vasiljevic was the major shareholder.

The motives for Vasiljevic's spectacular departure are not yet clear. One of his associates, Zvonko Volaric, told TANJUG that Vasiljevic would return to Yugoslavia "on Friday, or Monday at the latest."

Lawyer Stevan Protic, in charge until Vasiljevic's return, will hold a press conference in Belgrade on Wednesday.

Cosic Warns of Foreign 'Aggression' Against Serbs*LD0803190993 Berlin ADN in German 1819 GMT
8 Mar 93*

[Text] Frankfurt (ADN)—The president of the remainder of Yugoslavia, Dobrica Cosic, has warned against "aggression" against Serbia. Cosic told the Tuesday [9 March] edition of the FRANKFURTER RUNDSCHAU that he was talking about a possible attempt by the Croatian Army "to win back the Slavonian areas currently under UN protection".

Cosic emphatically warned the United States against intensified involvement concerning the area of Kosovo, which is mainly inhabited by Albanians. The Albanians are a national minority in Yugoslavia. Their insistence on self-determination would thus result in the division of Serbia and Yugoslavia. Cosic strongly rejects an international war crimes tribunal, he said. Yugoslavia is a democratic state, and if necessary, could try perpetrators itself.

Cosic said he sees no chance for Bosnia to survive as a multinational state. A nonsocialist state could not have a leading party of a specific denomination, like the Islamic party of President Izetbegovic. Cosic spoke out in favor of voluntary resettlements because the three peoples of Bosnia cannot live together in one state.

Government Asks Extension of UN Mandate in Krajina

LD0803200093 Belgrade TANJUG in English
1907 GMT 8 Mar 93

["Pool" item]

[Text] Belgrade, March 8 (TANJUG)—The Government of the Federal Republic of Yugoslavia believes that it is necessary to extend the mandate of the United Nations Protection Force (UNPROFOR) after March 31st in order to prevent the spreading of armed conflicts and create conditions for a political resolving of the problems, Yugoslav Prime Minister Radoje Kotic said in a letter to U.N. Secretary-General Butrus Butrus-Ghali on Monday [8 March].

Kotic's letter comes ahead of a U.N. Security Council debate on a new decision on the extension of the UNPROFOR mandate in the U.N. protected areas of the former Yugoslav Republic of Croatia.

The Security Council on February 10 adopted a decision on the temporary extension of the UNPROFOR mandate until March 31 this year. The troops were first deployed in the Republic of Serb Krajina in February last year.

The federal prime minister recalled that he had asked Butrus-Ghali, in a letter dated January 29, to recommend to the Security Council that the UNPROFOR mandate be extended for the next 12 month period.

The Yugoslav Government, said the letter fully concurs with the assessment in Butrus-Ghali's report dated February 10 which said that the withdrawal of UNPROFOR troops from the UNPAS [UN Protected Areas] would 'almost certainly result in the resumption of (?large)-scale hostilities in the areas where they are deployed.'

The Yugoslav prime minister underscored that the continued aggression of Croatia on the UNPAS, despite a (?very strong) condemnation by the Security Council, presents a classic example of flagrant violation of the U.N. Charter and the Vance peace plan, which the Federal Republic of Yugoslavia resolutely supports.

Croatia on January 22 launched an aggression on the Serb population in Krajina and continues to attack despite Security Council resolution 802 which urges an end of the attacks and the withdrawal of its army to (?the) earlier positions.

'The Croatian refusal to carry out the provisions of resolution 802, its continual announcements of its readiness to invade the UNPAS, the buildup of fresh troops at

the Krajina borders, as well as its armed and other provocations at its borders with the Federal Republic of Yugoslavia in the Pervlaka peninsula region, pose the danger of a further escalation and intensification of the war in this area, and the imminence of a dramatic deterioration of the situation in this area,' warned Kotic's letter to the U.N. secretary-general.

VOJSKA Says Croatia Has Army of 300,000 Men

LD0803182193 Belgrade TANJUG in English
1633 GMT 8 Mar 93

[Text] Belgrade, March 8 (TANJUG)—The Croatian Army numbers 300,000 officers and men, 44,000 of whom are at present fighting in the war-racked former Yugoslav republic of Bosnia-Herzegovina, writes VOJSKA, the magazine of the Yugoslav Army, in its latest issue.

Preparing nearly three years ago for war against the Serbs and the then Yugoslav People's Army in Croatia, the Croatian ruling Democratic Union (H.D.Z.) estimated that it needed 44,000 troops to attain its dream of secession from Yugoslavia and independence. The estimate was made in a highly classified H.D.Z. document "a projection of the Croatian armed force" of April 1990, which served as the platform for "beginning the formation of the H.D.Z.'s armed force for the struggle against the Federal Army and the Serb people in Croatia," quotes VOJSKA.

"How far the H.D.Z. military experts were off the mark in their estimate of the number of troops necessary for the attainment of this dream can be seen from a simple comparison with the original calculation: The Croatian Army and police today number 300,000 troops, and the war objectives remain the same as they were at the beginning of this deplorable story," writes the weekly.

VOJSKA speculates that there are two choices open to Croatia: "Either that the war should continue indefinitely, or that the H.D.Z. leadership should recognise the state of affairs as it is, negotiate an honourable peace and admit to the Croatian people that it has deceived them."

In the period from the early 1991 to the spring of 1992, Croatia waged a merciless war on the local Serbs who opposed its secession from Yugoslavia and the downgrading of the Serbs to an ethnic minority. The fighting stopped last year with the deployment of a U.N. Protection Force (UNPROFOR) in the territory of the Republic of Serb Krajina, proclaimed by the local majority Serb population. However, on January 22 of this year, Croatia launched another aggression on the U.N. Protected Areas (UNPA's), and continues its offensive despite the order from the U.N. Security Council to withdraw unconditionally from the occupied territories to behind the U.N. truce line.

VOJSKA writes that, after the suspension of hostilities in 1992, Croatian President Franjo Tudjman "formally ordered the demobbing of 50 percent of the Army," but

this in actual fact was "an order to relocate 50 percent of the Croatian Army to Bosnia-Herzegovina for its occupation."

Since the outbreak of the war in Bosnia-Herzegovina, in 1992, "the Croatian Army has been involved with 30,000 and 55,000 troops in the fighting against the Bosnian Serb army on the side of the local Croats and Moslems," writes VOJSKA.

In late January of this year, Croatia had 14 brigades numbering 24,000 troops of its regular Army in Bosnia-Herzegovina, and another 18,500 troops in the Bosnian Croat army, writes the weekly.

"Some of the units in Herzegovina (in the extreme southeast of Bosnia-Herzegovina) and in central Bosnia are fighting also against the Moslems," writes VOJSKA and adds that the "units are supported by 10 brigades from the territory of Croatia."

"The front in Bosnia-Herzegovina has been the ideal training ground for the Croatian Army," writes the Yugoslav army magazine in conclusion.

Losses From Sanctions Reported

LD0903123193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1112 GMT 9 Mar 93

[Excerpt] Belgrade, 9 March (TANJUG)—The United States and the European Community have announced further sanctions, or the tightening of present ones, while the blockade of Yugoslavia has cost almost \$10 billion [figure as received] in visible, and even more in invisible, consequences.

Those who imposed the sanctions have not seen the expected results either. Actually, the sanctions have caused nothing good, while they have brought poverty and various hardships upon the punished people.

The sanctions have proved to be inhuman. They have denied people the right to work, make money, get medical treatment, develop the economy, and exchange goods, services, knowledge, and cultural goods with the rest of the world.

The first calculations have shown that Yugoslavia lost about \$2.5 billion in eight months of blockade in exports and imports alone. Even if the sanctions are lifted, it will lose a further \$1.2 billion next year.

Direct and final losses have reached \$1 billion due to the suspension of traffic with the world, the difficulties with transit traffic, and the stall in tourism. [passage omitted]

Statistics on Cost-of-Living Increase

93BA0635G Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 8 Feb 93 pp 33-34

[Unattributed article: "Cost of Living: Three Salaries To Pay for Food"]

[Text] The average personal income for December was 173,556 dinars, and the market basket for the average four-member family in January, when the December salary is spent, cost 557,371.88 dinars. This means that 3.2 salaries are needed just for food. The figures are still more drastic when we realize that this is only the ratio between salaries and food, but not other expenses which the family pays—utilities, transportation for adults and children, school-related costs, or cultural and educational needs.

According to the figures announced by the Federal Bureau of Statistics in its January bulletin, the increase from December 1991 to December 1992 was 22,161.3 percent, between January 1992 and January 1993 it was 36,036.3 percent, and the percentage of the rise of the cost of living was not negligible even when January 1993 is compared to last December. In just a month, the cost of living rose 110.3 percent, while official inflation for January was 100.6 percent.

The bureau also made a table of price increases of various products over a period of one year from December 1991 to December 1992. The price of cow's milk over that period rose 16,691.7 percent, the price of bread—16,126.8 percent, the price of oil—17,565.3 percent, the price of cigarettes (Drina)—25,806.4 percent, the price of the Jugo automobile—21,272.2 percent, the price of 98-octane gasoline—20,455 percent, and the price of subsidized tickets for municipal transportation—11,525 percent.

The worktime needed to buy certain products decreased nominally between November and December. In November, 40 minutes had to be worked to buy a kilogram of apples. In December, a worker worked 13 minutes to buy an egg, in November—12 minutes; 31 minutes to buy bread (51 minutes in November); in December, 47 minutes to buy a package of cigarettes (in November, 53 minutes); butane gas in steel bottles—30 minutes (35 minutes in November); a couch—two months and nine days (in November, two months and 17 days); a flashlight battery—three hours and one minute (in November, three hours and 54 minutes). Nevertheless, there were products and services for which more time had to be set aside in December so that they could be purchased for the average December salary. For example, for a color television set, on the basis of net income, it took three months and 25 days, while in November, counting the income at that time, three months and 15 days were needed for the same product; for an automobile repair, one hour of the mechanic's labor, it took five hours and nine minutes of work in November and five hours and 11 minutes of work in December.

The calculation of the Federal Bureau of Statistics says that the average personal income, if it were transformed into a product, would be enough in its total amount to purchase only 356 liters of milk, 269 kg of bread, 101

liters of oil, 217 packages of cigarettes, 15 school satchels, 50 pairs of panty hose, four sets of bedclothes, or six women's sweaters.

When a worker with an average salary decides to buy some important product for the household, he needs to set aside 2.3 salaries for a couch, 3.7 salaries for a dining room set, 3.6 salaries for a washing machine, 4.9 salaries for a color television set, while to buy a Jugo car, unless there is a change in the ratio between the price and average income, 36.8 salaries would be required, according to the figures for December.

National Bank Unable To Control Monetary Policy

93BA0635B Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 1 Feb 93 pp 27-28

[Article by Vladimir Grlickov: "Monetary Policy: With No Chance of Success"]

[Text] Even though there is no global economic policy and corresponding anti-inflation measures (as shock therapy for wages and prices), and even though the foreign embargo has not been removed or softened, monetary policy has been adopted for the first quarter of this year to calm down inflation and support real production. The unfavorable environment in which the attempt to act is being made is evident to the naked eye (inflation over 100 percent in January, the exchange rate shot up on the black market), and that is why we can say that monetary policy seems like a lone rider with scant prospect for success. The board of governors did not adopt monetary policy as a whole; it applies, say, to a "set" of measures not adopted which were calculated to bring down interest rates.

What Do the Numbers Say?

It is evident that the situation in the monetary sphere is dramatically difficult, that the National Bank has no chance of success in its attempts to calm down hyperinflation, if one "sorts through" the official figures contained in the projection of monetary policy which were recently presented to newsmen by Jovan Petrovic and Ratko Banovic, representatives of the National Bank. According to that projection, the money supply in the form of deposit money and cash (not including savings) ought to increase 95 percent in the first quarter, or by 920 billion dinars (from 1,120 to 2,040 billion dinars). If the National Bank were to maintain those limits on the three-month growth of the money supply, that would mean that its intention is to cover the entire projected inflation. Because actual inflation, according to official statistics, "ate up" everything projected for three months in just 20 days of January, it is certain that there will be essential departures at the very outset of this year. This is happening at a time when ordinarily (on a seasonal basis) monetary movements ought to be calmer, and the demand for money more moderate. Accordingly, it will be a success if monetary policy holds the growth of the

money supply so that it only keeps pace with real inflation, not exceeding it, which, incidentally, is what happened in the second half of last year, and the reason was that primary issue and the printing of more cash covered the immense budget deficit, but also because financial shortages occurred in the production sector because of the general decline of economic activity and import-export transactions that were held up (there is no payments-balance deficit or withdrawal of money on that basis).

The datum which shows that the "quota" of the National Bank projected for the quarter is being spent much faster is the one that applies to cash. It is clear from only a superficial scrutiny of the actual situation that in the breakdown of the money supply (projected growth 920 billion) cash will grow considerably more than the 300 billion dinars envisaged in the projection (by 770 billion dinars). The problem is that the National Bank obviously cannot hold to the projection, not only because real movements (hyperinflation, slower rate of money turnover, and the like) are taking their own course, but also because there is no control over the use of cash, because the anomaly of its unlawful redirection, outside regular channels in payment and settlement, has not been eliminated. This is evident from the fact that there is cash on the foreign exchange market, while in the banks it is once again in short supply for the payment of wages, pensions, and the like.

The federal and republic budgets are the "open sore" of monetary policy. It is obvious that the National Bank will not be able to stick with the projected growth of primary issue for the budget in the amount of 70 billion dinars, because (even) the formal and legally constituted rights of the states, in the form of a temporary measure, are considerably greater: They amount to 280 billion dinars, not counting another 120 billion that would go to cover securities which cannot be paid for out of the illiquid budget. In addition, the state "needs" an additional 200 billion dinars for transformation of the Army of Yugoslavia in the first quarter of this year. Primary issue, which actually represents coverage of the deficit of the republic budgets and pension funds, but is formally represented in the form of real transactions (selective) in the economy, is a separate problem.

Possibilities of Reduction

With the selective program for credit financing from primary issue, the National Bank is making an effort at reductions which do not seem feasible. The growth of credit from primary issue on this basis is projected at 425 billion dinars; 240 billion go just for unmet obligations incurred last year, which represents an additional limitation on monetary policy. It clearly follows from the detailed list for selective credit financing projected for the first quarter that if one can speak at all about restrictions under today's conditions, some kind of burden can be borne only in this monetary segment. When all the credit increases envisaged are added up (for wheat, planting, livestock production, exports, coal, and

tourism), primary issue for selective purposes ought not to be greater than 100 billion dinars. No growth of credit was projected here for the selective purposes we have had up to now such as preparation of exports and inventories, the metals complex, and so on. Only refinancing within the limits of the credit already outstanding has been envisaged for them. If all the selective purposes are pursued from the outset, the monetary effects, the growth of credit, will be considerably greater.

Interest Rates

As for the NBJ's [National Bank of Yugoslavia] policy concerning the discount rate and interest rates in banking, it is evident that it has not been adopted as a whole.

The discount rate has been increased minimally from 16 percent to 21 percent, so that with those interest rates, the primary issue being released represents in practical terms the cheapest money in banking. The possibility has not been eliminated for the banks to earn money on the difference between the level of the discount rate and the level of interest rates on the market, for one thing because no regulation was adopted concerning the allowed banking margin of 2 percent per month (instead of 4 percent per annum) on credits originating in primary issue.

Under such conditions it is difficult to speak of attractive interest rates as a motivation of the banks to purchase securities of the National Bank on the market and to transfer surpluses of liquidity to it.

In essence, the banks and indeed even firms are being given heightened motivation in direct relations with the NBJ to obtain cheap money from primary issue by selling their own securities.

Should that be adopted subsequently, that would leave the instrument of monetary regulation of surpluses of the banks' liquidity, which is also cheap for the National Bank. This has to do with the legal reserves, whose rate has been left unchanged at 31 percent, but other conditions have been tightened: The base on which legal reserves are set aside would be increased by the inclusion of transactions done on commission in someone else's name and on someone else's account; the purpose here is to prevent deposit transactions from being turned into transactions on commission so as to avoid setting aside legal reserves in the NBJ.

The most interesting is the effort of the National Bank to bring down interest rates on deposits and credits in banks, in that it would provide a guarantee on savings or primary issue only to those who abide by the desired policy, which is embodied in rates on dinar savings at the level of official inflation plus five points and domicile rates on foreign exchange savings plus two to three points. As an idea for control, given the impossibility of the market influencing the level of interest rates (operations on the open market through securities), this is not bad, but two questions do arise. First, what level of

inflation is being taken as the basis for arriving at the desired level of interest rates? Real inflation is considerably greater than the statistical rate and the rate projected by monetary policy. The second thing is that for the present the National Bank has neither the power nor control, nor does it have the ability to stop the primary issue of banks which do not obey it.

Serbia

Milosevic Holds Talks With Russian Deputies

LD0803134993 Belgrade TANJUG in English 1330 GMT 8 Mar 93

[Text] Belgrade, March 8 (TANJUG)—Serbian President Slobodan Milosevic said on Monday [8 March] the Yugoslav republic expected Russia to stop implementing the unjust international embargo against the Serbian people and Serbia.

Milosevic made the statement during a meeting with a group of deputies of the Russian Federation's Supreme Soviet in Belgrade on Monday, Milosevic's office announced.

The talks focused on the Serbian-Russian relations and the current questions relating to a political settlement of the Yugoslav crisis. The two sides underscored the importance of Russia's objective stand on the causes of the Yugoslav crisis.

The international community has adopted a partial approach to the crisis, punishing the F.R. [Federal Republic] Yugoslavia—that is Serbia and Montenegro—despite the fact that the war in the former Yugoslavia was caused by the republics which have forcibly seceded from the former federation.

Milosevic and his guests agreed that the Russian deputies, who had the opportunity to see for themselves the situation in the former Yugoslavia, should inform the Russian parliament that the blockade of the F.R. Yugoslavia is absurd and untenable, the statement said.

The talks were attended also by Serbian Foreign Minister Vladislav Jovanovic.

More Than 460,000 Refugees in Serbia

LD0803162893 Belgrade TANJUG in English 1616 GMT 8 Mar 93

[Text] Belgrade, March 8 (TANJUG)—According to a statement released by the Serbian Red Cross on Monday [8 March], the number of registered refugees in the Yugoslav Republic of Serbia currently stands at 461,653. Of that number, 295,149 refugees are from the war-ridden former Yugoslav Republic of Bosnia-Herzegovina. The number of refugees in Serbia increased by 662 from Sunday to Monday alone.

It is estimated that more than two million persons have fled the war-affected areas in the former Yugoslavia.

Commentary Sees Clinton Letter As 'Violation'

AU0903082593 Belgrade VECERNJE NOVOSTI in
Serbo-Croatian 4 Mar 93 p 10

[Commentary by Jovan Vlakovic: "Facts Turned
Upside Down"]

[Text] U.S. President Bill Clinton's dramatic letter, exclusively disclosed [ekskluzivno obelodanjen] a few days ago, turns a lot of facts upside down, especially the part that has to do with Kosovo.

Unlike Clinton's former announcement, in which he stressed that the United States was ready to send military forces against the Serbs in Kosovo and in other parts of Serbia if there was any "Serbian aggression against Kosovo," in his latest letter, the U.S. leader no longer refers to Kosovo as a territory outside Serbia. However, U.S. intervention will follow "in the case of conflict in Kosovo caused by some form of action on the Serbian side."

This means that the Americans have managed to realize, or at least so it would seem, that it is illogical to expect the Serbs to launch an attack on their own state territory. Now it would be reasonable to ask what the U.S. reaction will be if quite the opposite happens—if the bloodshed in Kosmet [Kosovo-Metohija] is initiated by the Albanians. What would U.S. policy be if a conflict in Kosmet is caused by the Albanians in this southern Serbian province.

The threatening tone of Clinton's message, aimed exclusively at Serbia, implies that it would be hard to imagine that the U.S. might support the legitimate authorities of the Serbian state if conflicts were caused by Albanian secessionists. Even in the case of a UN resolution, the United States would not be ready to send their military forces against the Albanians in Kosovo, or in Albania, if the ethnic Albanians [Siptari, derogatory term in Serbo-Croatian to describe Albanians] were to cause the war.

On the other hand, it is hard to believe that the U.S. could once again successfully impose the "model" of a no-fly zone over part of Serbian territory, as they did in Iraq. Not only because the world has already "seen through them," but because today, such a "humanitarian move" ["humanitarna sepesija"] would not be as easily approved by the UN Security Council, especially not by Russia and China, who might very well soon become victims of a similar ploy to detach part of their territory over which they have sovereignty from the rest. Even if such a "model" were to be approved, there is good reason to believe that it would have no effect whatsoever "in the field."

Therefore, it is quite clear why the U.S. leader's latest letter is what it is. Maybe the best way to understand it is within the context of Ibrahim Rugova's "peace plan," consisting of ten points and presented in New York ten days ago. The first point of this "plan" requests that a

no-fly zone be imposed over Kosovo. Such "coincidences" are no longer news in the entanglement-disentanglement [zaplet-rasplet] of the crisis in the former Yugoslavia.

However, all those who are involved in solving the Yugoslav crisis must admit that Kosmet is an integral part of Serbia and the Federal Republic of Yugoslavia, something that U.S. representatives have already stressed on several occasions.

Based on the UN Charter, Serbia and the Federal Republic of Yugoslavia have the right to use all means available to defend their territorial integrity and sovereignty, as well as the right to resist an internal uprising and the attempt by an ethnic minority to secede. Moreover, this minority has all the democratic rights guaranteed by international standards. Any U.S. action that would contradict this would be a violation of the basic principle of modern international society, just as the U.S. leader's threat already is a violation of it.

U.S. Accused of 'Serious Mistakes' Over Bosnia

LD0803125193 Belgrade TANJUG in English 1213
GMT 8 Mar 93

[Text] Belgrade, March 8 (TANJUG)—A proposal by UN Secretary-General Butrus Butrus-Ghali to send ground troops to Bosnia to make the Serbs withdraw from the "occupied territories" is Butrus-Ghali's first, even if only conditional, call for military option since the outbreak of the war in the former Yugoslav republic.

Commenting the reasons of such a drastic change in Butrus-Ghali's stand, diplomatic circles in Belgrade said the statement directly served the purpose of the latest U.S. threat against the Federal Republic of Yugoslavia.

Washington has lately made three serious mistakes concerning the Bosnian issue, apart from its premature and illogical recognition of Bosnia-Herzegovina, the same sources said. The Americans are now trying to save face with the help of their European allies and also the UN secretary-general.

The first U.S. mistake is the airdropping operation in eastern Bosnia. It is not difficult to reckon that it would have taken only a convoy of ten 40-tonne trucks to deliver the same quantity of aid which three-four U.S. cargo planes per night will drop in eastern Bosnia for 60 nights.

Secondly, the Americans allowed to be tricked by the latest media campaign on an alleged Serb massacre against Muslim civilians in Cerska, eastern Bosnia. It is almost inconceivable that the stand of the world's power number one on the Bosnian conflict is based only on media reports.

UNPROFOR [UN Protection Force] Commander for Bosnia-Herzegovina Gen. Philippe Morillon has denied not only reports from Cerska, but also the U.S. stands. But Washington, accepting the misinformation from

eastern Bosnia, is again threatening Yugoslavia with tougher sanctions, total isolation and blockade of the Adriatic Sea as well as the Danube River.

The third U.S. mistake is related to the so-called no-fly zone over Bosnia. Washington had for long called for the enforcement of the zone, but abandoned the idea soon after failing to obtain support even from its closest European allies.

The question now is whether the U.S. and the UN want to keep peace in Bosnia once the three sides reach a political agreement, or if they intend to make peace. Recent statements from Washington indicate that the latter is more likely.

Article Considers Opposition to Milosevic

AU0503160893 Podgorica MONITOR in
Serbo-Croatian 26 Feb 93 pp 14,15

[Article by Bojan Jovanovic: "Isolating Milosevic"]

[Text] The situation in Serbia has been clearly and ominously deteriorating more and more rapidly every day, mostly in the economy, having serious social and political implications. Prices are now increasing faster than the foreign currency exchange rates, changing almost daily. The statistical data on the socially endangered and the hungry, and the number of enterprises and factories that have gone bankrupt, which is the best indicator of the economic slump, are terrifying even to the most incorrigible optimists. People say that even tuberculosis has reappeared, a disease believed to have been eradicated many decades ago.

The social classification has become more and more blunt and drastic. The unimaginable fortunes amassed by the new profiteer-criminal class on the one side, and the stark poverty on the other are dangerously testing the limits of tolerance. Every day more and more people are understanding the deceit and seeing the injustice and hypocrisy of the propaganda reality. Referring to the situation they are living in, people are more and more frequently speaking in terms of "the state of thieves."

Therefore, those who believe that such a situation and developments only invigorate the Vojislav Seselj [Serbian Radical Party and paramilitary leader] type of egalitarian socialism are right. A probably deplorable sophisticated analysis of the postelection political mood of the voters showed significant shifts toward Seselj. Objectively, the situation tends to make Seselj more popular than Slobodan Milosevic, whereas the latter would correspondingly gain in irreplaceability. There is a latent conflict, but it is not likely to surface so soon.

Public Works

Milosevic's war against criminals and gangsters, demagogically transparent and ridiculous as it may be, has had some effect, though. People want to believe in illusions. Thus it appears they would even starve, just to retain

some kind of order in the anarchy that exists. Hence the conclusion regarding Seselj's strengthened position among the people. There is a certain massive infatuation with the discipline incarnated by this unsuccessful doctor of the "general defense and social self-protection" [subject taught in schools during League of Communists of Yugoslavia administration].

Apart from many others, one of the explanations for this quasi-war between the state and domestic Sicilians presumes that a real war can still be expected. It is believed that some of the Mafia bosses, having conquered the underground, and confirmed their economic power, have begun to aspire to a larger share in political power, so that, in view of their swollen ambitions, good memory, and talkativeness, there might be some unexpected turns.

In terms of the concrete, the fight of the "untouchables" from Dedinje [part of Belgrade] against crime and corruption has produced the first visible results. There are no more speculators selling cigarettes on Zeleni Venac [Belgrade market place], nor are there crooks from Balkanska Street damaging the reputation of Serbia. They are finally going to be shown what the lawful state looks like.

In its journey back to the past, Serbia is now entering the phase of primitive etatism. When it finally starts with electrification and industrialization through the setting up of public works, everything will resemble to the postwar reconstruction period. Seselj told a news conference on Thursday that the Yugoslav National Bank should allocate the entire primary emission of money for public works. At the same time he repeated his proposal on balancing salaries, so that retirees with the lowest pensions and workers with the lowest salaries receive higher wages, while the administration salaries would be reduced to their real level.

Before establishing order among Serbs, however, Seselj will have to prove he is a Serb at all. The initiative of some Assembly representatives to dig more deeply into Seselj's genealogy resulted more in the crowd poking fun at it than in producing any political effect. Even if he were shown to be nominally a Croat, in this situation it would mean nothing, particularly because Serbs have significant experience with foreigners in Serbian administration. Besides, many Serbs have started to lament past times, while others sentimentally search drawers, looking for some dusty Marshal's [Tito] photo.

Furthermore, Seselj has remained without ministerial seats in Milosevic's government, which could prove that the "duke" [Seselj] has been politically isolated just enough to be deprived of the political power that could be dangerous for Milosevic. Of course, such is the situation for the time being.

Playing Small Cards

On the other hand, all this emphasizes the Serbian president's intact strength. In view of the present situation this makes all the opposition's attempts to overthrow him or control his autocracy worthless. There is therefore almost no real answer to the question of how to beat Milosevic because he continues to give the impression of invincibility. His absolutism produces a neurotic and vengeful system, and a repressive policy of a permanent state of emergency. He controls the army, paramilitary units, police, state administration, directors, organized crime. Yet, Milosevic has been electorally legitimated. In view of this political reality, all the opposition expectations of Milosevic's "early" abdication look like hallucinations. The hope that Milosevic will leave Serbian history the way he entered it, by helicopter, is simply wishful thinking.

One has to look at reality: the present fraternity composed of communist-bureaucrats and mobster-combatants intends to rule forever, while Milosevic intends to rule as long as he lives, and even longer. Any attempt to change the state leadership, legally or unlawfully, is very risky, and makes the entire situation more discouraging.

Thus it seems that the first question should be how to defend oneself from Milosevic's criminal policy, rather than how to overthrow him. The Belgrade opposition should base its new political strategy at the point where these two questions meet. It is true that such a strategy would mean a prolonged political engagement, for the most part independent of original party membership, and freed of the motive of traditional "Serbian discord," a typical "small-card-game." The short-term goal of the new Serbian homogenization based on democratic and antiwar principles should be to prevent a new Balkan front from forming. Above all, the Democratic Movement of Serbia [DEPOS] should strike an attitude of true antimilitarism and, by becoming a focal point for antiwar public opinion, should try to beat Milosevic in the area of general mobilization, if such thing were to happen. A boycott of mobilization would be a very important moment for the political destiny of Montenegro.

The Road of No Return

It may be paradoxical, but the long-term goal of such a revised opposition activity, within the general movement of resistance to the criminal regime, is an attempt to politically isolate Milosevic. The first condition would be that the opposition, unanimously and with a noisy resignation, leave the institution called the Serbian parliament. Despite the domination of irrational factors, the opposition would then have a real basis for their expectations, namely the possibility of broad social disorder happening, and its next step should undoubtedly follow that direction. As for the non-institutional fighting, the first following demonstrations organized by the DEPOS (as well as by the Democratic Party) must be absolutely

pacifist. Thereby the opposition would gain an important point at the very start, while Vuk Draskovic [leader of the Serbian Renewal Party] would be freed from his label of "Belgrade destroyer."

It cannot be excluded that the next Vidovdan convention (reference to opposition convention, last held 28 June 1992), unless some other event exceeds it in dramatics, should be far more successful, in relation to last year's fiasco. And it will be successful only if the opposition begins to prepare for it immediately. The next Vidovdan convention will only make sense if all the most important Serbian institutions—the Serbian Academy of Sciences and Arts [SANU], the University, Church, the Association of Writers...—unanimously support it. To do this, all these institutions must previously clearly and unambiguously distance themselves from Milosevic and his war policy, thereby leaving him alone and exposed. For instance, the people still believe, because of the media blockade, that the Church traditionally backs Milosevic, even when they condemn him. Also, it is almost impossible to draw a clear distinction between SANU and the Socialist Party of Serbia, because the leading people in both of them are Milosevic's people. Guided by a new sensitivity to social unrest, the opposition must stop playing politics and unite into some kind of antiregime political-trade union organization.

Such a direction would be an answer to both optimists and pessimists on the question of what the English, American, or French people would do if they were under the control of Milosevic's dictatorial regime. It would help many people finally understand certain things, and finally abandon their illusions. In any case, any future protest against Milosevic's regime and the demand for his abdication will make sense only if it unites national institutions, (particularly) workers, students, taxi drivers, ... The second, perhaps even more important condition is that such a protest have true legitimacy, that is, is an act of all-national catharsis, the strength, decisiveness, force, and courage of which would reflect not hundreds or thousands Serbian souls, but millions of them. Knowing the Belgrade opposition, however, that may be disputable.

Milosevic is the evil fate of the Serbian people, but they chose him. Developments in this region are acquiring ever more fatalistic dimensions, because in many things one has gone too far, on the road of no return. Under Milosevic Serbia can eventually expect only new wars, further economic excommunication, economic downfall and national humiliation, more and more brutal fascism, hunger and poverty—is that the Serbian tomorrow? Will planes carrying relief be supplying Belgrade and Podgorica, instead of Sarajevo? Many people will regret their conduct, but then it will be too late.

Lack of Resources Hampers Agricultural Production

93BA0635A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 1 Feb 93 p 12

[Unattributed article: "Food: Hunger Getting Closer"]

[Text] Available resources are not sufficient even to achieve a third of the production planned in the first half of this year, it was reported in the Belgrade Chamber of Commerce on 22 January in a session of the headquarters for coordinating operations in agriculture, just two days after the government of Serbia judged that the spring planting would go according to plan in spite of all the difficulties.

A decision of the NBJ [National Bank of Yugoslavia] Board of Governors, contrary to the well-known demand of the federal government and its Agriculture Ministry, that is, granted agriculture only a fourth of the 180 billion dinars requested in the first quarter of this year. The simultaneous decision to lower rediscount rates from 60 to 50 percent and from 50 and 45 to 40 percent will also have an adverse effect in that it will increase the relative share of loans from commercial banks in the unit of the product—in the end, consumers will pay for the increase through higher prices of foodstuffs. The people in Agrobanka also know that resources from primary issue have quite often been misused, and have been "resold" at a considerable gain as though they were issued on consignment, but they nevertheless feel that the problems detected must not be solved by reducing the support to agriculture from primary issue.

And a big question mark stands behind the decision of the republic government to set parities between fertilizer and commercial grain (as a basic strategic product) over the entire period of the fertilizer's use in the course of the year. If, as has been proposed, the conversion of wheat and KAN [potassium-ammonia nitrate] fertilizer is made at a parity of 1:1, that would mean a jump in the price of wheat from 200 to 900 dinars. Otherwise, it is thought by the people in the Cukarica Agricultural Cooperative, KAN at a price of 200 dinars will be impossible to find. In Beopetrol, they give assurances that there is no speculation with the diesel fuel for agricultural machines, because it must be sold at the price set by the government. The problem, however, is whether the capacity of domestic refineries can meet the need, which just for the Belgrade region is estimated at 6 million liters over the next six months. As far as is known, heavy fuel oil figures as a priority product, and those smuggling fuel in from abroad do not even think of selling it without a fat profit. It remains to be seen what in this context will be altered by the preferential treatment defined the other day which the republic government is offering to users in agriculture.

The problems with the production or "import" of fuel are becoming linked to difficulties because of the "exporting" of certified seed. It is quite difficult to say through what channels and arrangements, but customers have already faced threats that the seed will be taken from them if they are tardy in making payment. It should also be mentioned that the producers of certified seed (corn) were pulling their hair just 10 days ago in the Serbian Chamber of Commerce, agonizing that because of the embargo they could market only a third of their

output. In that kind of atmosphere, the possibility of a seed shortage on the domestic market would be taken as a bad joke.

In the Belgrade region, basic cultivation of the soil has been done on about 90 percent of the area of the socialized sector and 40-70 percent of the private sector, depending on the area. It is a thankless task to say at what pace the cultivation and planting of plowland will continue at a time when one of the essential conditions has not been (altogether) fulfilled for accomplishing them. In any case, the plan calls for planting 118,000 hectares, 18.2 percent of it in the socialized sector and 81.8 percent in the private sector. Corn is dominant in the structure of spring planting with 56.6 percent, and all of 84 percent of the output is expected from peasant farms. The situation is similar in the production of other grains, vegetables, and, to a somewhat lesser degree, animal feed. Knowing that because of the lower technological level the yields on private farms lag anyway behind those on socialized farms, and that their sensitivity to market disturbances is considerably greater, it is not difficult at all, then, to assume what kind of effect prolongation of the current situation will have on the future supply of the Belgrade market and the market of Serbia.

Enterprises Facing 'War Communism'

93BA0647A Belgrade NIN in Serbo-Croatian 12 Feb 93
pp 27-28

[Article by Vesna Kostic and Aleksandra Bilanovic:
"Public Firms: Ahead War Communism"]

[Text] The present government in Serbia had a chance to relieve itself of at least a part of the responsibility for the worker rebellions. However, it found it more alluring to seize that property personally, so it has become the owner of the major portion of firms like MIN [Metal Industry of Nis] of Nis, Zastava of Kragujevac, JAT [Yugoslav Airlines], the Serbian Petroleum Industry, Viskoza of Loznica, the sugar refinery in Pozarevac, MINEL, Raska of Novi Pazar, IMT, TIK of Grdelica, Matroz of Sremska Mitrovica.... The Fund for Development of the Republic of Serbia is a euphemism for that government ownership.

Lazar Milicevic, adviser in the Fund for Development of the Republic of Serbia, says that all of this taken together has nothing whatsoever to do with nationalization; the public has a mistaken understanding and interpretation of this, because it is actually just the first stage on the road toward final and fair privatization of socially owned property.

But Dr. Dragan Djuricin, a member of the Economic Council of the government of the Republic of Serbia, questioned this representation of the motives of the Serbian authorities in an article published recently in POLITIKA. In explaining the reasons behind certain moves of the Bozovic government, he said: "Social

welfare was the dominant factor, so that financial consolidation and restructuring of ownership took place both when firms were showing an operating loss and also when their net worth was dwindling."

Dr. Miroljub Labus, an economic expert in the ranks of the Democratic Party, is convinced that the Serbian government decided to put a large number of workers on its payroll in order to buy their support in its fight against the entire world. He backed this up with the datum that from June of last year until just recently all of 780,000 employees in Serbia were beneficiaries of funds from the republic fund for the lowest earnings. It is not likely, he said, that there are that many people on paid vacation and the government does not ask them for any favor, not even to clean the street in front of their door.

Prof. Zoran Popov, a member of the Economic Council of the government of the Republic of Serbia, considers privatization by selling factories to the workers nonsensical. He says that the workers have been managing them even in the past, he wonders where they have taken the firms, and he says that they do not know how to do any better. They have neither the knowledge nor the capital to become owners, Popov concludes.

The Beloved Government

Half a century of socialism and a decade of the slogan "No one can pay me so little but what I cannot work less" have left their trace in the workers themselves.

"I would always rather work for the government. A private operator can fire me whenever he likes, but that is not the way it is here," NIN was told by Milic Stojanovic, who works for the GSP [Municipal Transportation Enterprise].

The fact that Mr. Stojanovic said at the same time that "he would not have anything against someone establishing a private firm like the GSP," along with the conclusion that "the private operators would not threaten us," shows the depth of his belief in the government and its open purse, which is at least equal to his unfamiliarity with the concept of "healthy competition."

Another employee of the GSP to whom NIN questioned liked government employment more: "It is more secure for me to work for a government firm, even though I perhaps would get a higher salary from a private operator; that is how times are."

Only on NIN's third attempt in that firm did it get the statement: "It makes no difference to me, I would work for whoever pays the best. It doesn't matter whether it is private or government, only who pays better."

It is difficult to say where that lower limit in the drop of the standard of living is when the worker here will react with a social rebellion in view of the fact that they have stoically put up with their real personal incomes dropping by all of 85 percent in one year (1992). Three years ago, the average worker here worked for about 1,000

marks, and now barely for 80. Yet by and large the workers are behaving as though nothing has happened.

In a recent public statement (interview in BORBA), Dr. Neca Jovanov said that in these parts war has served as a replacement for the strike. "Social hopelessness stimulates people to wage war. When waging war becomes a profession, they are socially more secure, they have food, some kind of accommodation," he said.

Prof. Labus also thinks that war is one of the reasons why there have not been social rebellions. "When your head is in a bag, then that is your overriding problem," Mr. Labus says. But he is certain that the present government in Serbia will face a wave of worker dissatisfaction this spring.

Where Is the End?

Dr. Zoran Popov takes the view that social problems have nothing whatsoever to do with the question of who owns the firm. The alternative to discharging workers who are not working is taxation to collect money to pay those people social welfare, Dr. Popov says. He believes it is worthwhile to make sure that the amount set aside for wages and salaries is greater than the amount that would be set aside for social benefits. In some cases, he thinks, it would not be bad for some workers to strike. He singles out MIN of Nis as an example: "It is better for them to strike and not receive wages. What are they producing that Serbia needs? What does the machine industry produce? Railroad cars. Serbia has a surplus of railroad cars, who needs them?" In some cases, he says, the problems can be solved through negotiation, but if this does not succeed, the action taken should be patterned after the firing of the air controllers in the United States. For such a move, however, he adds, the government must have credibility, which we can hardly assume in our case. Inflation, he says, is more acceptable, because it is like the lottery: No one knows who is going to win. One time it will be the politicians, who extend their tenure in office, another time the workers, who do not become unemployed.

That is, of course, easier than facing the uncertainty of a ruined economy. But today firms which at one time were worth \$2 billion are assessed at barely \$200,000; the social product has been cut to less than half in less than two years. The only limits on the printing of money in Topcider are the capacity of the presses and the inventories of paper for printing money.

And while many with whom we spoke point out the possibility of there being some capital about which people do not know, which relativizes the depth of the bottom we have touched, most of those with whom NIN talked forecast fascistization of Serbia and a dictatorship that would be resorted to in order to hold on to power.

Prof. Daniel Cvjeticanin believes that that kind of chaos suits the present government just fine and that even a general strike in Serbia would be to its advantage. Chaos serves the present regime as an excellent excuse for

emergency powers, for a policy of the firm hand. "I am not saying that the government itself organized the strike in the GSP, but I also do not believe that it is not responsible for it, I do not believe that that chaos made it uncomfortable," Mr. Cvjeticanin says. Worker rebellion has no chance of bringing about any democratic civil outcome, because the workers are unorganized, often opposed to one another, which the government will particularly accentuate, he says, adding that this was already evident during the strike at the GSP. However, he does not see the struggle for power as the goal of the present regime, because neither the regime nor the opposition give any sign that they would know what to do with that power. The motives of those who are now holding power in their hands and want to continue to hold on to it he sees exclusively in the struggle for privileges. And the greatest privileges, he concludes, are obtained in chaos.

Social unrest, Cvjeticanin says, would come down to demands for self-management and egalitarianism, which the Radicals would easily attack.

Nor does Miroljub Labus believe in a worker rebellion that would result in a change of the present government. He also emphasizes that solidarity does not exist among the workers, nor are they aware of the causes that have led to the present situation. The Socialist Party of Serbia (SPS), Labus says, is preparing the introduction of war communism if the war continues. And that implies ration coupons, forced labor, and the requisitioning of farm products. Peace would immediately give way to a wave of social dissatisfaction, but even then, he is convinced, the SPS would find a solution by creating a larger problem to cover up the smaller one. Nor would radicalization in the direction of dictatorship and fascistization be alien to that party, Mr. Labus believes, because it had a radical wing even earlier.

Neca Jovanov said that today the possibility of meeting the demands of strikers is inversely proportional to their demands, and he has recognized the causes of fascistization: Misery, poverty, and fascism stimulate one another. And where is the democratic force which can prevent fascistization of a country and at the same time solve the social problems? he wondered.

And one of those workers from the GSP said with conviction and pride:

"There has to be order, order and discipline, and in the GSP discipline is semimilitary."

Electric Power Industry Impoverished

93BA0635E Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 8 Feb 93 pp 27-28

[Article by Dragan Nedeljkovic: "Electric Power Industry: How the Electric Power Industry of Serbia Went Under"]

[Text] The second rise of electric power rates this year—the first of 90 percent in early January and now 92.5 percent at the beginning of February—was carried out by a newly introduced special technology. No one explained why, but none of the officials in the government of Serbia made a public announcement of the government's decision, nor was a press release issued; the new practice is to publish the decision in SLUZBENI GLASNIK [OFFICIAL GAZETTE]. So whoever reads it there will know. Perhaps they are ashamed, perhaps they do not dare to announce such news publicly, and it is also possible that they are counting on places in the future government. It seems that it does not pay to expose oneself with a first and last name, and publication in SLUZBENI GLASNIK is at least impersonal. Consumers nevertheless learn about the price increase, because journalists scramble to get the news first (often it is announced in advance).

You have to understand the officials, even though the office of minister does impose unpleasant obligations. It is embarrassing and shameful under present conditions to make decisions raising prices by such a high percentage on a commodity such as electric power. Especially because it was only yesterday that all the Serbian officials were telling the people that the country had an abundance of power, that Serbia was a big producer and, along with France, a European exporter of electric power. The public rightly assumed that the power could be cheap, especially because the EPS [Electric Power Industry of Serbia] is a government firm in which there can be no speculation such as there is with other commodities. The shame is all the greater because the two price increases this year are doing nothing to solve the ever larger and more numerous problems of the electric power industry, and more frequent and larger doses of higher prices are need for any kind of recovery.

An expert estimate is that present prices of electric power should be raised at least 10-fold if we want to put the electric power industry in normal economic condition. All the partial remedies, such as short-term loans from primary issue, only worsen its economic position—the loans have to be repaid with interest. The real topic, then, is how the electric power industry got into this desperate economic situation, how it went under. To tell the truth, it is only from the year-end statement for last year that it will be possible to see what kind of collapse the electric power industry has experienced. For the present, it is certain that the loss will be unexpectedly large, but how large has really yet to be established (unless an order comes down to make the results look good). Indirectly, however, it is possible even now to figure out many things.

Right now, Serbia is consuming more than 92 million kilowatt-hours [kWh] of electric power a day, which is 8 percent more than last year. Production is approximately at last year's level, of which few sectors of industry can boast. But only informed experts in the electric power industry have been resisting: virtually from one hour to the next a real battle is being waged to obtain heavy fuel

oil (several thermal power plants are idle because they do not have heavy fuel oil for ignition), and much the same is true of chemicals, spare parts, and other production supplies: conveyor belts are breaking, machines and machinery are idle. And it is also very hard to support the labor force.

The most recent rise in the price of electric power brought the average price of the kilowatt-hour up to 52 dinars for the end consumer. Before the increase, the price was 27 dinars. If the calculation is done on the basis of an exchange rate of 4,000 dinars for 1 German mark, then before the price increase, electric power was at 3.8 percent parity, and since February at 7.4 percent. This frequently mentioned parity is an artificial indicator, that is, the ratio of domestic prices of electric power to the prices of five European countries, calculated according to so-called common criteria. No one in the world uses such a method of calculating the prices of electric power, but this one that the Serbian government is using is the result of political pressure from the time of the joint state. The memory is still fresh of the political uproar that was raised at the time because of the alleged siphoning of income from Serbia to the other republics through low electric power rates. It should be recalled that the parity of power rates at the time when the federal government adopted decisions about that was about 50, 60, or 80 percent. But then the electric power industry filed complaints against the Federal Executive Council, demanding that it be compensated the lost income. Today, the parity is 7.4 percent, after, we repeat, the most recent price increase.

There are other ways of arriving at parity. The simplest is to use the price of eggs—they say that even before this war the kilowatt-hour kept pace with the price of eggs in the open-air market. Today, you can buy more than 10 kWh of electric power with one egg. A much more professional approach is to compare energy prices. If we take the price of heavy fuel oil as the basis, and assign it the value 100, then in Austria the kilowatt-hour is 601, in France 554, in Germany 726, in Italy 620, and so on. In Serbia, it is 36.84. We get a still better picture if we compare the times of the former Yugoslavia with the present situation in Serbia: In 1991, power was at 287.84, and today at 36.84. Do we need to look for a better answer to the question of how the Electric Power Industry of Serbia went under? And who did it? There is no foreign spy, international conspiracy, or domestic traitor and enemy within who ruined the best Serbian firm so successfully. Everything created and built over decades has been torn down in a few years, reduced to the beggar's stick. Moreover, it is very clear what is involved here—this country's natural resources, created over thousands of years and nonrenewable, are being plundered and expended.

But how far this has gone is perhaps best illustrated by the datum that the largest facilities, such as the thermal electric plants at Obrenovac, the hydroplants at Djerdap, and the network of long-distance power transmission lines, now have larger depreciation than gross income. In

other words, it is eating up its own substance. The electric power industry carried over from the previous year unmet foreign debts in the amount of almost \$80 million, last year another \$140 million came due and were also unmet, and debts of about \$140 million come due this year. Sometime all of that will have to be paid. But how? This year's gross income is estimated at \$150 million! In the first quarter alone, short-term loans amounting to almost 200 billion dinars of domestic debts are supposed to be repaid. That is the amount of revenues of the electric power industry for two months. The electric power industry simply has nothing for current production, it is financially ruined.

It can be demonstrated that all of this is the fruit of the economic policy conducted by the Serbian government if we look at last year's movement of prices: Electric power became 48.69-fold more expensive, industrial products—176.56-fold more expensive, retail prices rose 200.43-fold, and the cost of living—204.71-fold. There is no need, it would seem, to wait for the year-end statements to see where the electric power industry is. Another indirect datum rounds out the story about the prices of electric power. It has been calculated that a household which consumes 400 kWh of electric power per month (no electric heat) has a monthly expenditure of 26,165 dinars (13,392 dinars before the price increase), while a household with electric heat consumes 1,900 kWh and receives a bill for 106,000 dinars (55,065 dinars before the price increase). There is no longer any reason to be surprised that the Serb is among the smallest consumers of electric power in Europe, but the Serbian household consumes more than the German, Danish, or French household. In other countries, the share of households in electric power consumption barely reaches 20 percent, in Serbia it exceeds 65 percent. The story about squandering valuable energy and receiving little in return, of unproductive consumption, and actually of holding back the economy and overall development becomes superfluous after such figures. It is presumably clear to everyone that all of this is costly and must at some point be paid for, except to the people in the government who made the decisions and are still making them. Incidentally, it is perhaps worth recalling that the nominee to be the new prime minister was the energy minister for many years and is currently chairman of the board of directors of the electric power industry. It is yet to be seen what kind of policy of electric power rates he will conduct, because, as an engineer, he is familiar with the problems of the electric power industry. We know what is implied by continuity with the previous government, in which he was not only energy minister, but also deputy prime minister, but we do not know whether he is ready for radical changes. It is perhaps better not to guess, although waiting results in collapse.

Shortage of Fertilizer Threatens Food Production

93BA0635C Belgrade EKONOMSKA POLITIKA in
Serbo-Croatian 8 Feb 93 p 12

[Article by P. Ursic: "Fertilizer, Agriculture in Trouble"]

[Text] "The program for fertilizer production agreed to with the government of Serbia is not being carried out," a representative of Agrohemiya announced in a meeting of the Committee for Agriculture, Food Production, Beverages, and Tobacco of the Serbian Chamber of Commerce held 3 February. Because of the lack of natural gas (HIP of Pancevo), raw phosphates, and potassium salts, not a single fertilizer factory is operating, the workers are on leave, and no one can say at this moment whether at least some of them will go back to work soon.

Because of the disastrous situation in the production of fertilizer, which is one of the basic preconditions for successful accomplishment of spring planting, the republic government adopted a package of measures on 20 January that includes the following: extending the period for use of \$6 million of foreign exchange approved by the NBJ [National Bank of Yugoslavia] from last year's installment and approval of an additional \$10 million (including the right of fertilizer producers to purchase the foreign exchange directly from commercial banks) to import the necessary raw materials and components, and then priority supply of natural gas, including a delivery schedule, for operation of the factories, and support of all barter and other compensation arrangements whereby the importation of scarce raw materials would be facilitated. Funds were also designated to finance part of the output of 500,000 tons of fertilizer in the amount of 300 million dinars, in which the share of primary issue would be 30 percent. The parity between fertilizer and commercial grain has been set at 1:1 for KAN [potassium-ammonia nitrate] fertilizers, 1:1.6 for urea, and 1:1.7 for NPK [nitrogen-phosphorus-potassium] fertilizers.

**Fertilizer Consumption
(Kg Per Hectare of Arable Land)**

	1978	1980-90	1991
Federal Republic of Yugoslavia			
Total	291.0	264	141
Firms and cooperatives	—	501	299
Private farms	—	213	108
Austria	197.8		
Bulgaria	180.4		
Hungary	259.5		
West Germany	420.7		
Poland	222.3		
Romania	130.1		
France	299.0		
Netherlands	687.9		
Czechoslovakia	303.1		

The plan is for these measures to facilitate at least the production of nitrogen fertilizers while mixed fertilizers would be produced in the quantity that is possible, reliance here being placed on reserves of potassium and phosphorus in the soil.

The quantity of fertilizer necessary for the spring planting, incidentally, is estimated at 221,000 tons of NPK and 300,000 tons of KAN and urea. At the moment, only 17,000 tons of fertilizer are in factory warehouses. Wheat, however, is to receive additional dressing as early as the coming week. If a certain quantity of "white grain" is harvested from unfertilized plowland, that will not be the case with the more intensive field crops, agronomists warn.

The situation is critical.

Under the sanctions there is not enough gas, they were saying at Agrohemiya two weeks after the government measures were adopted. There are imports, to be sure, but the price of fertilizer obtained in that way, formed in labyrinths of middlemen, is too high for most users. Under those circumstances, the price parities set between fertilizer and wheat are seen to be absurd.

Those who need nevertheless forces to "do business" with smugglers and war profiteers are facing an additional intractable problem: They do not have the foreign exchange they need in the NBJ. In competition with those ordering drugs and potential users with a similar profile, the plants making nitrogen fertilizers will have a hard time getting it. The alternative of buying foreign exchange from someone else, usually with borrowed money on which astronomical rates of interest are computed, makes the situation still more hopeless.

The question is how feasible is it to insist that agricultural products, if they are being "exported," be exchanged exclusively for inputs needed by agriculture (including the needs of fertilizer manufacturers)?

Rounding out the list of problems, we should also say that the fate of the proposal that fertilizer be returned to the list of rebated agricultural input will be decided by the new federal government and the new parliament—when, perhaps, it is already too late. The promised republic financial injection can alter little of that when hyperinflation is lightning quick to make every amount worthless, including a dinar amount that has been presented as a gift.

Perhaps Serbia "will not bow down," but it is more than obvious that its agriculture is already "on its knees"—the problem of fertilizer production is at the moment threatening agricultural production as a whole.

There can be both political and philosophical discussions of what is to be done then. However, the most sensible proposal seems to be to demand removal of the sanctions on imports of raw materials for fertilizer

production, because they serve indirectly for the production of food. While first of all it is legal, the people at Agrohemija are convinced, this is also the best and most painless solution.

Livestock Reduced, Meat Shortages Expected

93BA0635D Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 8 Feb 93 p 13

[Article by P.U.: "Meat: The War on Prices Has Been Lost"]

[Text] The regime of freely formed prices has now been extended to all categories of meat by a recent decision of the republic government. Slaughterhouse operators are thus required to inform the Trade Ministry of price increases, which automatically take effect eight days later.

In other words, slaughterhouse operators are finally in a position of "offsetting" the dizzying rise of the prices of inputs by raising the prices of their own products. Does that mean that we will not get a repetition of last year, when meat production dropped by one-tenth (in 1992, 465,000 tons of all types of meat were produced), dried meat products dropped 18 percent, and sausage products dropped about 20 percent? Can we expect a 2.6-percent rise in meat production this year, as they are planning in the Serbian Chamber of Commerce? Finally, would the possible recovery of the meat industry halt the alarming shrinking of the livestock population? During last year, that is, the number of pigs, sheep, and poultry dropped 11-12 percent; the number of cattle over that same period dropped by half that percentage to 1.057 million head, which, however, is below the minimum defined by the so-called red line.

For answers to these questions, we looked to Ljubisav Milovic, director of Slavija, a Belgrade meat producer, and Aleksandar Andjelkovic, who owns the Papak Butcher Shops. It is amazing, although they come from different ownership sectors, both identified the same problems, even assessing them in almost the same words. Perhaps there is less reason to be amazed when we realize that these are business executives who began quite some time ago to try to communicate with consumers, offering them high product quality at a lower price—that is, in the language of the market.

Ljubisav Milovic: "You Will Have Money, You Will Not Have Meat"

"Although meat prices rise weekly, they are lagging considerably behind the price increases of a number of other products and services.

"Independently of the price increases of a number of inputs, the price that must be paid for foreign exchange, rising interest rates, the rise of the rediscount rate, and the drop of the discount rate of the NBJ [National Bank of Yugoslavia], the price of meat is mostly determined by the price of livestock. There is less and less livestock, and

thanks to operation of the law of supply and demand, its price rises at least once a week. What is more, we pay within seven days for the livestock which we purchase, while we collect for the meat after 20 days. In this kind of inflation, with the money from a kilogram of meat we have sold, we can thus purchase half a kilogram of live weight. The livestock-raisers, actually only those who have managed to keep up their production, have never been better-off economically.

"We moderate some of the problems by organizing the fattening process. That is why, unlike other slaughterhouses, we are still operating at full capacity. However, although we have our own primary production (in addition to fattening, we also produce livestock feed) and our own retail network, including our own meat supermarket, we cannot be much cheaper than the competition.

"We are all going to pay for what certain private banks are doing. Who is going to be so crazy today as to invest in production when interest rates are so high? Second, there is no production or productivity with which it is possible to offset the effect of this kind of inflation.

"This people, this policy, this government, this country must turn toward production and work. My workers are already asking me when I am going to send them on mandatory leave so that they also can earn almost the same pay without working. All of that, however, is being financed with the assets of the firm, which are shrinking every day.

"For all those reasons, I cannot forecast anything good. Slavija will nevertheless be the last to say to the consumers: You have the money, but there is no longer anything to sell."

Aleksandar Andjelkovic: "Dark Days Lie Ahead for Us"

"A kilogram of veal in the three Papak stores costs 29,000 dinars—7,000 dinars less than in most other Belgrade stores. However:

"If in January my mother received a pension of 35,000 dinars, she could buy a kilogram of veal at Centroprom and a kilo and a half from me. It does not make much difference to her whether she has a kilo or a kilo and a half of meat.

"Meat has become inaccessible for most citizens. Except for perhaps Albania, I do not believe that any other European country is consuming so little meat as we are today. Although all three Papak stores are still open, wholesale trade has fallen off terribly. There has also been a particular drop in sales of processed meat products, because they contain a 40-percent share of imported materials. These are wrappers, spices, additives, and spare parts for machines. I have no other way of earning the 200 marks for an ordinary belt for a machine except to incorporate them into the price of the

product, and then it is automatically too high. We also sell chickens as the cheapest meat, but even chicken sales have fallen off drastically.

"Nevertheless, the price of meat is linked most closely to the price of livestock. Whereas earlier most of the livestock population was in the hands of the peasants, the price of livestock was lower because the peasants did not calculate their work into the price. Because the peasants have given up fattening, because they have also gotten smart, now we are all turned toward the cumbersome socialized sector, on which the embargo has placed an additional burden. So the price of livestock is apt to change between sunup and sunset.

"The printing of money, which is how this system is trying to solve the problem, only postpones the suicide for a month, two months, or three. I thought the collapse would come back in January, but it did not, only thanks to these quasi-banks, which is what I call them. There is no production, no imports either, and the government is putting a great deal of money into circulation. So what will happen is that we will all have a lot of money for which there will be nothing for us to buy. In such a situation, of course, the black market will begin to flourish. It will not be possible to conduct sanitary inspection of meat smuggled from Romania, Hungary, other neighboring countries, but also from rural areas. Many people will be poisoned. For instance, I recently read that trichinella has again been isolated in Sabac, which is a very susceptible region anyway. Black days lie ahead for us.

"If, of course, we preclude war and the blockade, the only solution is privatization, which everyone is singing about, but no one has done anything about it. Just do not tell me that these 'paper' joint stock companies have undergone transformation of their ownership. If that were the case, as a stockholder of my Agrobanka, I would already have received a dividend. In any case, nothing can be achieved with administrative measures, which have shown their effect throughout East Europe. The wheel of the market is turning slowly, but surely. I am convinced that the market will begin to function at some point. Then it will be necessary for every city to have its own slaughterhouse, sugar mill, brewery.... Only then can Serbia become the economic pivot in the Balkans."

Montenegro

Bulatovic Receives Head of Islamic Community

LD0803182993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1526 GMT 8 Mar 93

[Text] Podgorica, 8 March (TANJUG)—Momir Bulatovic, president of Montenegro, received Idris Demirovic, president of the Council of Elders of the Islamic Community in the republic, at the latter's request in Podgorica today.

As it has been stated, Demirovic, the president of the Council of Elders, expressed the Montenegro Muslim citizens' concern, confusion, and fear regarding increasingly frequent cases of threats against their safety and an increasing climate of personal and collective insecurity, particularly following the kidnapping of a group of citizens of this republic at the railway station in Strpci and, before that, in Bukovci, near Pljevlja.

President Bulatovic reiterated on this occasion that every kind of threat against the freedom of citizens, and particularly the violation of guaranteed rights of ethnic and religious communities in Montenegro, directly contradicts the republic's constitution and the democratic character of a civil, law-governed state.

President Bulatovic also briefed Idris Demirovic about the current activities by the Montenegrin authorities to eliminate such incidents and gave firm guarantees that state organs of the republic, in cooperation with federal organs, will continue to do their utmost to secure peace, full security, and equality of all citizens of Montenegro.

During the meeting they also exchanged views on activities related to the foundation of the Council for the Protection of National, Ethnic, and Religious Rights in Montenegro.

Economic Statistics for Montenegro—1992

93BA0635F Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 8 Feb 93 p 33

[Unattributed article: "Montenegro: The Statistics of Poverty"]

[Text] The Council of the Federation of Independent (Samostalni) Trade Unions of Montenegro has done an analysis of economic trends and of the material and social position of inhabitants last year. The figures show that the drop in industrial output, which in Montenegro has been quite marked since 1990, when production fell 16.6 percent from 1989, accelerated when the economic sanctions were introduced against the FRY [Federal Republic of Yugoslavia]. Last December, industrial production was 9.7 percent below output in November and 29.7 percent below what it was in December 1991. Over the 12 months of last year, industrial output showed a drop of 20 percent from the previous year. Out of 30 branches of industry, only five achieved a growth of production last year. However, their share in the total structure of the sector is only 7.65 percent, and maintenance of the growth of production is a direct consequence of the fact that none of these industries is import-dependent. In most of the firms which are dependent on imports, production has either dropped back drastically or stopped altogether. The figures show that last December in Montenegro there were 21 firms that did not work at all (because of import-dependence or illiquidity).

The UN sanctions and the freezing of all financial arrangements have completely severed all of Montenegro's foreign trade relations with the world. This has particularly hurt several large firms (KAT [Titograd Aluminum Combine], Jugopetrol, the tobacco combine, and the steel mill), which have a share of over 70 percent of exports and 60 percent of imports. In 1991, total exports of Montenegrin firms amounted to \$158 million and imports \$190 million. In the first nine months of 1992, Montenegrin firms exported goods worth \$96 million, or 23 percent less than in the same period of the previous year, while imports amounted to \$149 million, or 3.6 percent more than in 1991. During the first nine months of last year, the trade deficit in Montenegro amounted to \$53 million.

The sanctions, but also the proximity of the war zone, have affected the results of the tourist industry and related activities. Over the period January-September of last year, 373,860 tourists visited Montenegro, which is 42.1 percent less than in the same period of the previous year. The number of domestic tourists dropped off 40.2 percent and the number of foreign tourists dropped off 74.6 percent.

Last September, retail prices rose 52.6 percent in Montenegro over November and 22,663.3 percent over the same month of 1991. The largest increases were for the prices of services (126.6 percent), agricultural products (71.9 percent), beverages (57.4 percent), and industrial products (44.9 percent). The December cost of living rose 49 percent over November and 21,059.6 percent over December of the previous year.

Last December, the average income was 135,404 dinars, 124,107 dinars in the economy, and 172,519 dinars in noneconomic activities. Compared to November, wages in December increased 59.2 percent in nominal terms (6.8 percent in real terms), while compared to December 1991 they were up 12,590 percent in nominal terms, but down 40.1 percent in real terms. The lowest wages in December were in the processing of nonmetallic minerals (48,807 dinars), production of textile yarns and fabrics (51,347 dinars), and production of finished textile products (67,473 dinars).

The figures show that last December there were 70,852 pensioners in Montenegro. Of that number, 20,910 were receiving old-age pensions, 30,119 disability pensions, and 19,823 survivor pensions. Whereas the ratio between the number of persons employed in the socialized sector and the number of pensioners was 2.83:1 in 1982, last year that ratio was 1.9:1. The largest pension paid in December was 426,245 dinars, and the lowest amount of the full pension was 112,847 dinars. The average pension in Montenegro in December was 120,806 dinars.

Since 1987 there has been a very rapid drop in the number of persons employed in Montenegro's socialized sector. Whereas in 1987 the socialized sector employed 165,186 people, last December it employed 131,770,

which is a drop of 5.6 percent from the same month of 1991. In the economy, the size of the labor force was 101,950 (7.4 percent less than in the previous December), and 29,820 were employed in noneconomic activities (an increase of 0.3 percent). The share of persons employed in the economy relative to the total labor force in the socialized sector was 77.4 percent, while 10 years ago it was 80.4 percent. There was also a drop in the share of the number of persons employed in industry and mining from 36.9 percent (in 1982) to 31.9 percent at the end of last year. Although employment in the private sector has been growing in recent years, the increase is symbolic, because in about 60 percent of all private firms the owner is the only person working. According to figures of the Bureau for Old-Age and Disability Insurance, owners of private firms have declared slightly over 4,000 employees, which shows that a high percentage of employment is not registered. The number of the unemployed is increasing, and in November of last year 64,415 persons were on the rolls of the Bureau for Employment Security, which is 5.2 percent more than in November of the previous year.

More than half of those registered were seeking jobs for the first time. The number of unemployed ranges about 50 percent of the total size of the employed labor force, but it is a particularly unfavorable fact that more than 60 percent of the unemployed are educated. At the end of December last year, 9,990 workers registered with the Bureau for Employment Security who had lost their jobs because of bankruptcy proceedings instituted in 58 enterprises.

About 15 percent of the employed labor force in Montenegro is on mandatory leave. It is estimated that more than 18,000 people have been put on mandatory leave for a matter of months. The Montenegrin Ministry for Labor and Social Welfare has received applications for loans to pay wages from 85 firms with an aggregate labor force of over 35,000. So far, the loans have been used by 36 firms with about 21,000 workers.

Kosovo

Rugova in Albania's Delegation to UN Commission

LD0803124593 Belgrade TANJUG Domestic Service in Serbo-Croatian 0937 GMT 8 Mar 93

[Excerpt] Geneva, 8 Mar (TANJUG)—The leader of the Kosovo Albanians, Ibrahim Rugova, on 1 March became a member in the delegation of neighboring Albania that will take part in the 49th session of the UN Commission for Human Rights.

A citizen of the Federal Republic of Yugoslavia and now probably a citizen of Albania as well, Ibrahim Rugova is the first person on the list of members of the Albanian delegation. The delegation has four more representatives from Albania, which has observer status in the Commission for Human Rights. [passage omitted]

Rugova Reaffirms Stance for Independent State*AU0503210493 Tirana ATA in English 1131 GMT
4 Mar 93*

[Interview with Ibrahim Rugova: "Silent Ethnic Cleansing in Kosovo"—ATA headline]

[Text] Tirana, March 4 (ATA)—On March 3, the newspaper LA CROIX carried an interview with the chairman of the Republic of Kosovo, which follows in full:

Question: How is the situation in Kosovo?

Answer—Ibrahim Rugova: We are under a daily repression, there are arrests everyday and tortures in the police stations. An action for search of arms among the Albanians, who do not have arms at all, is going on. Through this act they want to urge Albanians to leave the country. A silent ethnic cleansing is taking place in Kosovo. Due to violence and political persecutions, people are leaving the country everyday. 300,000 Albanians have left over the last years, going to Switzerland or Scandinavian countries. Repression increased more after December elections.

Question: Do you think that the Serbian President Slobodan Milosevic is ready to extend the armed conflict in Kosovo?

Answer: First, he is seeking for an incident. If the Albanians lose patience and revolt, he may resort to this alibi to interfere. It also depends on the games of the power in Belgrade. He can make an interference in Kosovo in order to keep the power, playing the game of the Serbian nationalism. Anything may happen because the regime is ultra nationalistic in general. I consider this a national-communism. It is an amalgam for neocommunism and nationalism.

Question: Are you for the independence of Kosovo or for the status of autonomy it had?

Answer: I am for the independence of Kosovo. I have been appointed president since May 24. I demand an independent and neutral Kosovo, that is open to Serbia and Albania. This is the best means to solve the relations between Serbia and Kosovo.

Question: Can the independence be possible without an armed conflict?

Answer: I am working to make it possible through peaceful resistance. An armed conflict in Kosovo would be tragic. For this reason I am asking an international observation as the first stage before independence is reached.

Question: Would you like, on this occasion, unification with Albania?

Answer: Independent Kosovo would be an open country. Albanians may move freely. Albania has not demanded reunification because the best solution is each to stay in

his own country. Kosovo has borders and a juridical and constitutional identity since 1945, with the creation of the Federation of former Yugoslavia. Political realities make us demand a neutral and independent Kosovo.

Authorities Reject Albanian Education Program*AU0503214093 Belgrade POLITIKA in Serbo-Croatian
23 Feb 93 p 10*

[Report by M. Laketic: "According to the Education Plan Serbia Occupied Kosovo"]

[Text] Pristina, 22 February—"The education plans and programs that were proposed to the Federal and the Republican Minister for Education Dr. Ivan Ivic and Dr. Danilo Z. Markovic by Kosovo Albanians at the meeting last week, are absolutely unacceptable. Those proposals refer to Kosovo as a sovereign state," Dr. Marko Bozovic, Kosovo secretary for education, said at today's news conference.

Although the ethnic Albanian delegation led by Dr. Fehmi Agani persistently ignored the discussion about the education itself, trying to direct the conversation toward political issues, after the Geneva conference delegation had insisted upon it, they eventually presented the proposals of the elementary school courses of the Albanian language and literature, history, geography, arts, and music. "We rejected the proposed courses, because they refer to Serbia and the FRY as states that have occupied Kosovo."

"The disputable courses, for instance, include of all Yugoslav authors only Mate Lovrak, Grigor Vitez, Zmaj, and as it is stated there, Jevrem Brkovic, political emigre and great friend of ethnic Albanian people. Those who had outlined the courses deny even the very presence of Slavs in Kosovo," Bozovic said.

Hivzi Isljami, member of the ethnic Albanian delegation, said that he would not recognize the 1990 education program nor the state of Serbia even in 100 years, and to corroborate his vow he showed application forms, certificates, student identification cards, and diploma certificates, the headings of which state "The Republic of Kosovo" instead of the Republic of Serbia and Yugoslavia. The ministers were told that two high schools had already started with work in Glogovac and one in Srbica. One of the high schools in Glogovac is even registered in the Municipal Court, because the secretary of the Municipal Economy Department in Glogovac, who is a Serb, signed the papers," Bozovic said, and added that the charge has been brought against that Serb.

In view of the talks, the information center of the Democratic Alliance of Kosovo stated that "Serbia is still not leaving the concept of a uniform schooling system, that the ethnic Albanian Education Council have not the slightest intention to accept." On the question if there are any chances that the ethnic Albanian children Legally return to their schools, Rexhep Osmani, member

of this Council and participator in the talks, answered with the question: "Why do Serbian occupiers demolish statues of our great men?"

The statue he referred to is that of Hasan Pristina, who had supported the idea of the ethnically pure Kosovo as early as in the times of the Prizren League.

Elections for Parliament To Be Held

AU0803220493 Belgrade RTB Television Network in Serbo-Croatian 1830 GMT 8 Mar 93

[Report by Milisav Milic from Kosovo]

[Text] Numerous luxurious offices in this building [Kosovo Assembly building] became empty less than three years ago. After a street declaration by the Albanian deputies in which they demanded the secession of Kosmet [Kosovo-Metohija], Albanian ministers moved to Zagreb. Some of them now live in Vienna, Bern, Berlin, Bonn, Zurich, and Paris. Jusuf Zejnulahu, former prime minister in the Kosovo Government, is in Abu Dhabi.

After three years Kosmet will get its Assembly and its government again. The Serbian Assembly at its latest session upheld the Serbian Government proposal to hold elections and form a provincial Parliament in Kosovo and Metohija. It is, therefore, planned that a system similar to that in other parts of the republic, in Vojvodina, to be precise, will also function in Kosovo in the future. Namely, the provisions of the Serbian Constitution referring to the territorial autonomy apply equally for both provinces.

The forthcoming elections for the provincial Parliament have already sparked different reactions. The leadership of the Democratic Alliance of Kosovo believes that the announced elections are (irrelevant) for the Albanians as they have already held their own elections and a referendum for independent Kosovo. To the Albanians the imaginary Kosovo republic is obviously more important than the reality. They are once again missing a chance to participate in the political life of Serbia and Yugoslavia. However, the elections for the provincial Parliament will be held regardless of such views by the Albanian leaders. Kosmet will get its Assembly, government, and several ministries again. All this should facilitate more successful functioning of a law-governed state in the southern Serbian province. It is perfectly clear that the Kosovo Parliament will be a multiparty body and that its seats will be filled by the members of all ethnic groups that live in this region.

Pristina Governor Denies Violation of Rights

AU0803145793 Hamburg WELT AM SONNTAG in German 7 Mar 93 p 6

[Statements made by Milos Simovic, Serbian governor of Kosovo, in an interview for WELT AM SONNTAG in Pristina; date not given: "Nobody Will Defeat Us in Kosovo"]

[Text] "Only foreign forces are interested in a war in Kosovo.... The Albanians are active in this respect in Tirana, Turkey, Germany, and the United States. We do not want a war, but if the Albanians carry things too far, there will indeed be a war here. And Kosovo is not Iraq. This is another area and we will defend our homeland. Kosovo is our historical ancestral land. Nobody will defeat us here."

"Nobody will be disadvantaged because he is an Albanian. Nationalities are completely unimportant for us. Anything else is a lie. Albanian doctors, teachers, professors, or executives in enterprises have not been dismissed. But there is an Albanian boycott against us. They are trying to paralyze schools, hospitals, and enterprises and to harm us. The boycotters are violating our laws and we will punish them. We only dismissed a few teachers and doctors and we did this only because they had been making propaganda against us. That is an abuse of children and the sick. That is not permitted in Germany either."

"The forced recruitment of Albanians is a lie. But, of course, they are also boycotting our army. They leave to fight as volunteers against the Serbs in Croatia and Bosnia. Many Albanians have been killed there. They are secretly taken back to Kosovo. We know of fresh graves in small villages. The others who leave go above all to Switzerland, Austria, and Germany. They are cheating the countries where they ask for asylum because they are allegedly persecuted here. That is ridiculous. With the money they earn there they fight against us here."

Albanians 'Enjoy All Rights,' U.S. Group Told

LD0503210493 Belgrade TANJUG in English 2006 GMT 5 Mar 93

[Text] Pristina, March 5 (TANJUG)—Ethnic Albanians are not discriminated either in the constitution or the laws of Serbia and the Federal Republic of Yugoslavia, and they enjoy all civil rights, representatives of a U.S. human rights organization, who are visiting Serbia's southern province of Kosovo-Metohija, were told.

"No one in Kosmet is threatened because of being an ethnic Albanian, nor are anyone's freedoms and rights violated," said Fatmir Sheholi, the secretary of the Association of Albanians, Serbs, Montenegrins and other citizens for unified Serbia and Yugoslavia.

The problem is that the separatist leaders of ethnic Albanians, using threats and pressure as well as false propaganda, are trying to stir up the whole ethnic Albanian national minority in the province against Serbia.

Sheholi told his guests from the United States that ethnic Albanians who do not think as their separatist leaders were being prosecuted, and even liquidated. As proof of this, he said that an ethnic Albanian school teacher was killed only because he worked according to the Serbian curriculum.

A strong separatist movement of ethnic Albanians has been active in Kosovo Metohija for decades. Under the guise of threatened human rights, it advocates secession of this part of Serbia and its annexation to Albania.

"An Albanian university with a separatist curriculum will never again be possible in Kosovo-Metohija," Pristina University Rector Radivoje Papovic told the U.S. delegation.

Papovic said that Pristina University was open for all citizens of Serbia and under the same criteria. He said that it was the duty of each state to "pass laws to prevent the existence of educational separatism at all levels."

Papovic reminded his guests that from 1981 to 1989, when ethnic Albanians had complete authority in the province and even a representative—the Yugoslav president, they staged destructive, hostile and separatist demonstrations in Kosovo Metohija nearly every day.

The guests from the United States met with Kosovo-Metohija judicial authorities who said there were no discriminatory laws in the Republic of Serbia.

Article Speculates on Division of Province

AU0903093693 Podgorica MONITOR in
Serbo-Croatian 26 Feb 93 p 28

[Article by V. Orosi: "Who Is Pushing Divisions?"]

[Text] Not long ago the division of Kosovo, as a possible peaceful solution to the continuing problem, was only a whisper, but recently it has been discussed more and more loudly. Perhaps the cause for, to put it mildly, suddenly paying attention to that option is the recent statement by Basri Plane, chairman of the Association of Albanians, Serbs, and Montenegrins for Kosovo and Metohija, in which he most directly accuses his people of openly supporting the aforementioned option, reminding them, through the local television broadcasts and other means, that Kosovo is an indivisible part of Serbia, and that one should not resist it at all, because the price will be too high. In view of the fact, however, that the current authorities "utilize" those who are like-minded, particularly if they are of other nationalities, until they accomplish their goals (Sejdo Bajramovic, Mahmet Ajeti, or Halit Trnavci), this statement did not elicit any significant reaction, which does not mean that this idea has no supporters. Nevertheless, the following question arises: Is the division of Kosovo really the safest way to avoid a conflict that would be more than tragic if it occurred? It is not a secret, however, that the number of those who are against any kind of division, which applies to both antagonistic sides, is the greater.

Twofold Ownership

Publicist Behluj Becaj says that it is exactly such ideas as the territorial division of Kosovo that deepen the fear that having managed to divide and deceive the people, the nationalists of different colors and their satellites

would also divide their homes, their past, present, and future. It actually turns out that geopoliticians consider the territory more than the people, that natural resources mean more than "Middle-Ages myth." According to the so-called policy pursued by those geopoliticians, all the other nationalities are entirely superfluous, they are only servants to their own people, doing everything out of common interest. That is to say, geopoliticians own their fellow citizens twofold—they own them, and their homes.

Therefore, according to Becaj, it is not so much an issue that the Kosovo political panorama is also contemplating the aforementioned idea, as much as it is quite unreasonable that this idea has been put forward by some quasi-politicians as a magic wand that will solve the Kosovo question. "As I judge it, that is the end of an illusion whose goal is to keep under its patronage everything that 'rightfully belongs to it,' including the best solution. The solution lies in the quality of the political life, however, and not in ownership. The best thing would be for all reasonable people to cast off such influences, so that it would thus become irrelevant who first proposed such an idea—ethnic Albanians or Serbs," Becaj concludes.

This question has often been discussed by Skljezen Malici, vice-chairman of the Social-Democratic Party of Kosovo:

"The question of dividing up Kosovo has emerged from leading circles in the Serbian administration, but its goal is not clear. I used to think that if there were really a concrete proposal on the ethnic division of Kosovo, according to which only two bordering municipalities would perhaps fall to Serbia, such a proposal might serve as a basis for negotiations. Today, however, I am in complete agreement with the opinion that the idea on dividing up Kosovo is, actually, an introduction to war. It is quite irrelevant whether that war would be a little, dirty war, so that Serbia could 'justifiably' get rid of its everlasting 'gangrene,' or the introduction to a general Serbian-Albanian conflict, or the excuse for the ethnic cleansing of Kosovo from ethnic Albanians. Nevertheless, it would be a very bloody and senseless war, just as the wars in Croatia and Bosnia-Herzegovina are, ignited by the same leadership in the Serbian authorities," Malici says.

Nevertheless, one should recall that some intellectual circles in Serbia also support the idea of a divided Kosovo, but they do not discuss it any further, probably because they fear the reaction of Serbs and Montenegrins living in Kosovo. The report on representatives of Serbs from Kosovo visiting Dobrica Cosic, president of the FRY, on the eve of the latest elections confirms such an assertion. Two or three days later they stated how disappointed they were with his attitude, because he had tried to calm them down, proposing the territorial division as a peaceful solution for the powder keg called Kosovo. Although Cosic denied that he had proposed it, those who know him better also know that he finds this

option quite conceivable. The Serbian authorities in Kosovo use every opportunity to stress that they will not even recognize "the special status," let alone anything more, for instance Kosovo as a state with all the attributes of such.

Support From Canada

While the leader of Kosovo Albanians Ibrahim Rugova was visiting the United States, where he issued his 10-point plan for solving the Kosovo problem, which somehow implies a protectorate over Kosovo, Philip Haan, coordinator in the CSCE Mission for Kosovo, said in the interview to Pristina JEDINSTVO: "I fully understand the demand of the ethnic Albanians for an independent Kosovo, because I am from Canada. We have in Canada the province of Quebec, which, as I see it, justifiably desires its independence."

So, the Kosovo political scene acquires more and more varied forms of pluralism. One side is against the division of Kosovo, no matter who Kosovo might belong to tomorrow, the other side, with the largest number of supporters, is for an independent Kosovo, equally close to both Albania and Serbia, and the third side, having the most radical views, yet the least supporters, is for the separation of Kosovo, and its union with the mother country.

Vojvodina

Hungarian Leader on 'Quiet Ethnic Cleansing'

PM0503152693 Rotterdam NRC HANDELSBLAD in Dutch 1 Mar 93 p 5

[Report on interview with Vojvodina Hungarian minority leader Andras Agoston by Peter Michielsens on 1 March in The Hague]

[Text] The Hague, 1 March—"The concept of 'ethnic cleansing' is generally linked to Croatia and Bosnia. But it is not only there that people are being driven out because of their ethnic or religious background. It is also happening in Vojvodina. Only—no one knows about it because in Vojvodina there are no bloody excesses; in Vojvodina this is an indirect, a quiet ethnic cleansing, with only a hint of terror. And with much discrimination, much propaganda, much pressure."

Andras Agoston (1944) is a lawyer, and he was a journalist for a long time. Now he is a politician, a parliamentary deputy, and leads the VMDK, the Democratic Community of Hungarians in Vojvodina, the party of the Hungarian minority in the province in the north of Serbia which lost its autonomy along with Kosovo three years ago and has been ruled by Serbia since then. And leading the VMDK is no sinecure, for the Hungarian minority—345,000 souls, 14 percent of the population of Vojvodina—is under serious pressure.

Vojvodina is an old border area. It was here that the Habsburg and the Ottoman empires bordered on each

other—swampy land, hardly inhabited until it was drained 200 years ago and Habsburg Emperor Jozef II invited colonists from all corners of his multiethnic state to go and live there. And they came: Hungarians and Germans, Serbs, Croats, Romanians, Slovaks, Jews, Ruthenes, Russians, Ukrainians. And Vojvodina is still an ethnic patchwork where 24 nationalities live. Most of the Germans were thrown out after World War II, and also many of their Hungarian allies. In the final years of the forties their place was taken by Serbs, Montenegrins, and Croats—former partisans who for their political reliability and the courage they had shown were rewarded with the large farms of those driven into exile.

These ethnic groups have long lived together in harmony. But since the beginning of the civil war in 1991 there has been a drastic change, Andras Agoston said. Serbian nationalism has not spared Vojvodina. "This ethnic cleansing is not achieved through bloodbaths, but through psychological warfare. The Hungarians are depicted as historical enemies of the Serbs, as participants in the great conspiracy against the Serbian people." This pressure has already made thousands of Hungarians flee, mostly to Hungary—25,000 for sure but, he said, "it could also be very many more. No exact figures are known."

Alongside this psychological warfare there is, Agoston said, the enforced mobilization of young Hungarian men. They are drafted into the federal army—a practice which fills the Hungarians with fear. "We want nothing to do with the conflict between the south Slav peoples. We stand outside it. Already 43 Hungarians have fallen in the fighting, and 200 are missing." According to Agoston, these victims fell as soldiers of the federal army, in Croatia and Bosnia. He conceded that the federal army is no longer fighting in Bosnia, but the war could spread. Has Yugoslav President Cosic not said that if the Serbs in Krajina are the targets of further attacks he will send the Federal Army to Dalmatia?"

But above all he fears the plan to settle 140,000 Serbian refugees in Vojvodina. There are already 140,000 refugees, from Croatia and Bosnia, but they have not been introduced into the areas of Vojvodina where the Hungarians live. They are mostly living with their own people, he said. "These 140,000 new refugees will probably have to be accommodated in Hungarian regions, and if this happens the ethnic composition of these regions will change. The houses of the 25,000 Hungarians who have fled are already being lived in by Serbs from outside Vojvodina. If that plan goes through, the area where we live will be destroyed. You cannot add the misery of the refugees to the misery of the minorities."

The Hungarians are being intimidated and the methods do not change, Agoston said; terror methods are used. Sometimes a hand grenade is thrown into the garden, as an unobtrusive hint to leave, or shots are fired through the bedroom window, there is shooting at night, or things are set on fire. "This happens every day; we have gotten used to it." The law enforcement agencies do nothing. They

are Serbs. It happens, Agoston said, that we find the culprits ourselves, but they are never arrested. "A year ago things were different. But now the rule is: The police know who is responsible, but do nothing. 'Look out for yourselves,' we tell our people. That is our motto."

There has been an explosion of nationalism; it is something new in Vojvodina. When Serbian President Slobodan Milosevic put an end to Vojvodina's autonomy in 1990, this was deplored by quite a lot of Serbs in Vojvodina. In the capital, Novi Sad, only supporters of Vojvodina's autonomy were elected in the elections in 1990. "Things are radically different now. In the elections in December the supporters of autonomy all lost. The Serbs voted massively for Milosevic. Panic, his opponent, got all the Hungarian votes here, but hardly any Serbian votes."

He puts this explosion of nationalism down to the Serbian refugees from Bosnia and Croatia. "We could get along well with Vojvodina's Serbs. We knew each other. We knew each other's customs. There were many mixed marriages. But when the war broke out and the refugees came everyone became polarized. The refugees are much more radical than Vojvodina's Serbs and they determine the atmosphere, the tone. Moderate Serbs are already being called traitors. Their voice is no longer heard. Their parties were swept away in December." Now you find no one among the Serbs who laments Vojvodina's lost autonomy. The only party still working for the restoration of provincial autonomy is mine, the VMDK, Agoston said.

On 18 February the VMDK chairman made an offer of dialogue to Serbian Prime Minister Sainovic in a letter. But he is less than hopeful about the effect the letter will have. Sainovic is the fifth successive prime minister to whom he has offered dialogue. The previous four were not in favor. If this dialogue does materialize he will ask for autonomy, for an end to the enforced mobilization of Hungarians, and an end to the efforts to settle the refugees in Hungarian areas. "We ourselves want control over the spending of the culture and education budget in the region where we live, because it is crazy that the Serbian minister of culture decides who should be the head of a Hungarian school. And we want self-rule in the 10 municipalities where Hungarians comprise 70 percent or more of the population and the 13 where they make up more than 50 percent of the population."

The VMDK has 18 seats in the Vojvodina parliament, 9 in the Serbian parliament, and 3 in the Yugoslav federal parliament, but stands alone politically. The party does not have any media of its own. It is true that there is Hungarian-language radio and television and there is a daily paper and two weekly newspapers, but they do not support us, Agoston said. "Out of fear for their own skins their editorial boards are in Milosevic's hand or else they support the Serbian opposition."

"Of course, things are not so bad here in Vojvodina as they are in Kosovo," Agoston said. "There the Serbs

have established a complete apartheid regime, but the pressure is everywhere. Unemployment is two or three times higher among young Hungarians than among Serbs, and already there are 17 laws which undermine the legal position of minorities. Minorities are no longer allowed to use their own languages before the law, more than half the Hungarian policemen have gone, and there are no Hungarian mayors any more. Because of the psychological pressure Hungarian-speaking children no longer dare go to Hungarian-speaking schools. Hungarian teachers who flee are replaced by Serbs and the number of subjects that are taught in Hungarian is rapidly declining."

Agoston puts his hopes in Europe. He showed me the letters he writes to Vance and Owen and Hurd and all the other leaders. "Europe must do something," he said.

Radical Party Role in Krajina Refugee Mobilization

93BA0661C Belgrade NIN in Serbo-Croatian 19 Feb 93 p 33

[Article by Dragan Cicic: "From Party Activity: Radical Mobilization"]

[Text] *How members of the SRS [Serbian Radical Party] in Subotica (and beyond), using medical records, are uncovering refugees from Krajina, but in order to catch them and send them to the front.*

All indications are that the initiative by the Krajinan authorities to return and put into battle militarily capable men due to the Croatian offensive in Krajina has not met with a satisfying response among the refugees, although it is meeting with such a response in certain other quarters. In the Serbian Radical Party, for example.

Nebojisa Ilic, the chairman of the Subotica branch of the SRS, disassociated himself from a Radio Novi Sad report that his party is helping police to mobilize Krajinan refugees when he said: "We are doing that by ourselves. We have our own people who are locating Krajinans, and once we find them we put them on a train—and ciao."

At an SRS meeting in Subotica, however, Mr. Ilic's statement was not confirmed—at least not entirely. A middle-aged woman and one young man with short-trimmed hair—who refused to give their names because, they said, they are not authorized to issue statements on behalf of the party—confirmed that their entire activity boils down to finding out the names and addresses of male refugees. The lists compiled in this way are then made available to the police.

Party members generally get information on refugees through personal contacts and inquiries. But there are also better methods. Especially effective, they say, are members who work in the health-care system, i.e., in

out-patient clinics, health centers, or hospitals, where refugee identity cards containing all pertinent information must be shown.

This type of radical activity is not limited to Subotica. They recall their motto: "Wherever there are Serbian lands, there are also Serbian radicals." All committees are involved. "We radicals all think the same way," says the young man.

We are also joined by the man authorized to issue statements, Mr. Bozidar Vujic, the chairman of the Regional Committee of the SRS and an Assembly deputy. The lists, he explains, are not made available to the MUP [Ministry of Internal Affairs]. "Such allegations create the impression that we are some sort of police party, which clearly does not correspond to the truth."

Confused, we once again ask the woman about the lists, whether or not she said that they are made available to the police. First she says no, then yes, and then she is undecided.

Once again Mr. Vujic takes the initiative. Of everything that has been under public discussion, the only thing that is true is that the radicals sent a letter to the chief of Northern Backa Okrug, Dragan Bozinovic. It requested that the competent bodies deprive men from Krajina of their refugee status, and that they be "transported back to where they came from." The SRS would help care for women and children. They are actually deserters. If they deserted there, then they will desert here as well. Thus, very often they are involved in black marketeering and the resale of foreign exchange, and such people are social burden and a criminal factor.

The SRS initiative has not failed to meet with a response among the people of Subotica. A woman who says that she is involved with humanitarian work: "Those who do not want to return and fight are selfish cowards!" A taxi driver is in favor of returning Muslim refugees too, "and let them fight for the green berets, and the Serbs for themselves. That is more honorable than for them to

hide out together here." Then he complains about the refugees' lack of gratitude: "People have told me, give him lodging, enjoy, give him what you eat, but he scowls, refuses, and asks for something better!"

However, refugees Branko and Lidija live with their two small children in one of the summer homes on Lake Palic. They actually have one room, with mattresses, a table and chairs, and clothes piled up in the corner. And a stove that heats well. The toilet is outside the house. At the mention of mobilization, Branko immediately sends us away, not even asking who we are. The impression, later confirmed, is that if we had told him without any explanation that we were taking him to the front immediately, then he would have gone without a word. The whole time he paces the room with eyes wide open, continuously wiping the sweat from his thin face with the back of his hand. It is unclear whether that is from fear or the heat. "I think that I should return and defend Krajina, but then I remember that I have a family." "But I am registered here," he adds quickly, "they have me in their files, so if they call me, I will go."

Another Krajinan refugee has a quite different idea. His name is Pero. He is 50 years old, heavy, and there is no doubt that he was once a man who held a high opinion of himself. Now he is in fact reselling foreign exchange, but, as he says, not in order to get rich but to survive. And he is not even thinking about returning to Krajina.

"I have nothing left there to defend." The Croatian Armed Forces burned down his house, and then the village was occupied by Serb units. Pero fought on the Serbian side from the beginning of the war and was one of the soldiers who entered the village. He looked at what was left of his property and kept going. "When I returned from the field, I saw that my fellow Serbian soldiers were plundering everything that was left. Then I realized that the war there is being run by the worst scum, and that is true on both sides." What if the authorities adopt the SRS initiative and exert pressure on him to return? "I would flee Croatia, I would flee from this place," he says. "There must be some country where no one will persecute me."